Volume 1

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

1993

Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,
Special Statewide Election, November 2, 1993

General Laws, Amendments to the Codes, Resolutions,
and Constitutional Amendments passed by the
California Legislature

1993–94 Regular Session

Compiled by
BION M. GREGORY
Legislative Counsel

CONTENTS

	Page of Statutes
Effective Dates	A-5
Constitutional Amendments Adopted Since Publication of Statutes of 1992	A-7
Proposed Changes in Constitution	A-8
Constitution of the State of California and Index	A-11
Governor's Proclamation	A-219
Measures Submitted to Vote of Electors at Special Statewide Election November 2, 1993	A-221
Certificate of Elections by Secretary of State	A-222
Propositions Submitted to Vote of Electors at Special Statewide Election November 2, 1993	A-223
List of Officers	A-237
Table of Laws Enacted, 1993	A-251
Table of Resolutions and Proposed Constitutional Amendments Adopted, 1993	A-265
Text of Statutes and Code Amendments, 1993	3
Text of Resolutions and Proposed Constitutional Amendments, 1993	7753

	Page of Summary Digest
Statute Digests Regular Session, 1993	3
Resolution Digests Regular Session, 1993	605
Cross Reference Tables (Chapter Number of Bills) Regular Session, 1993	643
Regular Session Vetoed Bill List, 1993	653
New General Laws, 1989–1993	657
Index to Statutes Enacted and Measures Adopted in 1993	667
Statutory Record, 1989–1993	S-5

APPENDIX

County, City, and City and County Charters and Charter Amendments	7

EFFECTIVE DATES

Regular Session

The 1993–94 Regular Session convened on December 7, 1992, and the interim study recess commenced on September 11, 1993. Statutes enacted in 1993, other than those taking immediate effect, will become effective January 1, 1994.

The effective date of a joint or concurrent resolution is the date it is filed with the Secretary of State.

An initiative statute or referendum or a constitutional amendment proposed by the Legislature and adopted by the people takes effect the day after the election unless the measure provides otherwise.

Statutes Which Take Effect Immediately. An urgency statute, and a statute calling an election, providing for a tax levy, or making an appropriation for the usual current expenses of the state may take effect immediately. Such a statute becomes *effective* on the date it is filed with the Secretary of State.

Operative Date. The provisions of a statute normally become operative on the date it takes effect. However, any statute may, by its own terms, delay the *operation* of its provisions until the happening of some contingency or until a specified time. Also, a later statute or a general provision in a particular code may delay the operation of a statute to a time after its effective date.

CONSTITUTIONAL AMENDMENTS

Adopted Since Publication of Statutes of 1992

NOTE: Since the publication of the Statutes of 1992, the following changes were adopted at the Special Statewide Election, November 2, 1993:

Article	*Section*	*Change*	*Constitutional amendment number*	*Year*	*Resolution chapter number*	*Proposition number*	*Subject*
XIII	35	Addition	SCA 1	1993	41	172	Local Public Safety Protection and Improvement Act of 1993.
XIII A	2	Amendment	ACA 41	1992	136	171	Property Taxation. Transfer of Base Year Value.

PROPOSED CHANGES IN CONSTITUTION

NOTE: The following proposed changes were defeated at the Special Statewide Election, November 2, 1993:

Article	*Section*	*Proposed Change*	*Constitutional amendment number*	*Year*	*Resolution chapter number*	*Proposition number*	*Subject*
IV	9	Amendment	SCA 32	1992	114	169	Budget Implementation.
IX	17	Addition	Initiative Measure	1993	—	174	Education. Vouchers.
XIII A	1	Amendment	ACA 6	1992	135	170	Property Taxes. Schools. Majority Vote. Development-Fee Limits.
XVI	18	Amendment	ACA 6	1992	135	170	Property Taxes. Schools. Majority Vote. Development-Fee Limits.
XXXIV	1	Amendment	SCA 17	1992	109	168	Low Rent Housing Projects.

CONSTITUTION OF THE STATE OF CALIFORNIA

1879

CONSTITUTION OF THE STATE OF CALIFORNIA*

AS AMENDED AND IN FORCE NOVEMBER 2, 1993

PREAMBLE

We, the People of the State of California, grateful to Almighty God for our freedom, in order to secure and perpetuate its blessings, do establish this Constitution.

ARTICLE I

DECLARATION OF RIGHTS

SECTION 1. [*Repealed November 5, 1974. See Section 1, below.*]

[*Inalienable Rights*]

SECTION 1. All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and privacy. [*New section adopted November 5, 1974.*]

SEC. 2. [*Repealed November 5, 1974. See Section 2, below.*]

[*Liberty of Speech and of the Press—Newspersons' Refusal to Disclose Information Sources Not Adjudged in Contempt*]

SEC. 2. (a) Every person may freely speak, write and publish his or her sentiments on all subjects, being responsible for the abuse of this right. A law may not restrain or abridge liberty of speech or press.

(b) A publisher, editor, reporter, or other person connected with or employed upon a newspaper, magazine, or other periodical publication, or by a press association or wire service, or any person who has been so connected or employed, shall not be adjudged in contempt by a judicial, legislative, or administrative body, or any other body having the power to issue subpoenas, for refusing to disclose the source of any information procured while so connected or employed for publication in a newspaper, magazine or other periodical publication, or for refusing to disclose any unpublished information obtained or prepared in gathering, receiving or processing of information for communication to the public.

Nor shall a radio or television news reporter or other person connected with or employed by a radio or television station, or any person who has been so connected or employed, be so adjudged in contempt for refusing to disclose the source of any information procured while so connected or employed for news or news commentary purposes on radio or television, or for refusing to disclose any unpublished informa-

* Adopted by the people on May 7, 1879. Certain spelling and capitalization variances reflect State Printer's style in effect at time of adoption of amendments.

tion obtained or prepared in gathering, receiving or processing of information for communication to the public.

As used in this subdivision, "unpublished information" includes information not disseminated to the public by the person from whom disclosure is sought, whether or not related information has been disseminated and includes, but is not limited to, all notes, outtakes, photographs, tapes or other data of whatever sort not itself disseminated to the public through a medium of communication, whether or not published information based upon or related to such material has been disseminated. [*As amended June 3, 1980.*]

SEC. 3. [*Repealed November 7, 1972. See Section 3, below.*]

[*Right to Assemble and to Petition*]

SEC. 3. The people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good. [*New section adopted November 5, 1974.*]

SEC. 4. [*Repealed November 5, 1974. See Section 4, below.*]

[*Liberty of Conscience*]

SEC. 4. Free exercise and enjoyment of religion without discrimination or preference are guaranteed. This liberty of conscience does not excuse acts that are licentious or inconsistent with the peace or safety of the State. The Legislature shall make no law respecting an establishment of religion.

A person is not incompetent to be a witness or juror because of his or her opinions on religious beliefs. [*New section adopted November 5, 1974.*]

SEC. 5. [*Repealed November 5, 1974. See Section 5, below.*]

[*The Military*]

SEC. 5. The military is subordinate to civil power. A standing army may not be maintained in peacetime. Soldiers may not be quartered in any house in wartime except as prescribed by law, or in peacetime without the owner's consent. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed November 5, 1974. See Section 6, below.*]

[*Slavery Prohibited*]

SEC. 6. Slavery is prohibited. Involuntary servitude is prohibited except to punish crime. [*New section adopted November 5, 1974.*]

SEC. 7. [*Repealed November 5, 1974. See Section 7, below.*]

[*Due Process of Law—Use of Pupil School Assignment or Pupil Transportation*]

SEC. 7. (a) A person may not be deprived of life, liberty, or property without due process of law or denied equal protection of the laws; provided, that nothing contained herein or elsewhere in this Constitution imposes upon the State of California or any public entity, board, or

official any obligations or responsibilities which exceed those imposed by the Equal Protection Clause of the 14th Amendment to the United States Constitution with respect to the use of pupil school assignment or pupil transportation. In enforcing this subdivision or any other provision of this Constitution, no court of this State may impose upon the State of California or any public entity, board, or official any obligation or responsibility with respect to the use of pupil school assignment or pupil transportation, (1) except to remedy a specific violation by such party that would also constitute a violation of the Equal Protection Clause of the 14th Amendment to the United States Constitution, and (2) unless a federal court would be permitted under federal decisional law to impose that obligation or responsibility upon such party to remedy the specific violation of the Equal Protection Clause of the 14th Amendment of the United States Constitution.

Except as may be precluded by the Constitution of the United States, every existing judgment, decree, writ, or other order of a court of this State, whenever rendered, which includes provisions regarding pupil school assignment or pupil transportation, or which requires a plan including any such provisions shall, upon application to a court having jurisdiction by any interested person, be modified to conform to the provisions of this subdivision as amended, as applied to the facts which existat the time of such modification.

In all actions or proceedings arising under or seeking application of the amendments to this subdivision proposed by the Legislature at its 1979–80 Regular Session, all courts, wherein such actions or proceedings are or may hereafter be pending, shall give such actions or proceedings first precedence over all other civil actions therein.

Nothing herein shall prohibit the governing board of a school district from voluntarily continuing or commencing a school integration plan after the effective date of this subdivision as amended.

In amending this subdivision, the Legislature and people of the State of California find and declare that this amendment is necessary to serve compelling public interests, including those of making the most effective use of the limited financial resources now and prospectively available to support public education, maximizing the educational opportunities and protecting the health and safety of all public school pupils, enhancing the ability of parents to participate in the educational process, preserving harmony and tranquility in this State and its public schools, preventing the waste of scarce fuel resources, and protecting the environment.

[*Privileges and Immunities*]

(b) A citizen or class of citizens may not be granted privileges or immunities not granted on the same terms to all citizens. Privileges or immunities granted by the Legislature may be altered or revoked. [*As amended November 6, 1979.*]

SEC. 8. [*Repealed November 8, 1966. See Section 8, below.*]

[*Sex, Race, Etc., Not a Disqualification for Business*]

SEC. 8. A person may not be disqualified from entering or pursuing a business, profession, vocation, or employment because of sex, race, creed, color, or national or ethnic origin. [*Former Section 18 of Article XX, as renumbered and amended November 5, 1974.*]

SEC. 9. [*Repealed November 5, 1974. See Section 9, below.*]

[*Bill of Attainder—Ex Post Facto Law—Obligation of Contract*]

SEC. 9. A bill of attainder, ex post facto law, or law impairing the obligation of contracts may not be passed. [*New section adopted November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974. See Section 10, below.*]

[*Detention of Witnesses—No Imprisonment for Debt*]

SEC. 10. Witnesses may not be unreasonably detained. A person may not be imprisoned in a civil action for debt or tort, or in peacetime for a militia fine. [*New section adopted November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974. See Section 11, below.*]

[*Suspension of Habeas Corpus*]

SEC. 11. Habeas corpus may not be suspended unless required by public safety in cases of rebellion or invasion. [*New section adopted November 5, 1974.*]

SEC. 12. [*Repealed November 5, 1974. See Section 12, below.*]

[*Bail—Release on Own Recognizance*]

SEC. 12. A person shall be released on bail by sufficient sureties, except for:

(a) Capital crimes when the facts are evident or the presumption great;

(b) Felony offenses involving acts of violence on another person when the facts are evident or the presumption great and the court finds based upon clear and convincing evidence that there is a substantial likelihood the person's release would result in great bodily harm to others; or

(c) Felony offenses when the facts are evident or the presumption great and the court finds based on clear and convincing evidence that the person has threatened another with great bodily harm and that there is a substantial likelihood that the person would carry out the threat if released.

Excessive bail may not be required. In fixing the amount of bail, the court shall take into consideration the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at the trial or hearing of the case.

A person may be released on his or her own recognizance in the court's discretion. [*As amended June 8, 1982.*]

SEC. 13. [*Repealed November 5, 1974. See Section 13, below.*]

[*Unreasonable Seizure and Search—Warrant*]

SEC. 13. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable seizures and searches may not be violated; and a warrant may not issue except on probable cause, supported by oath or affirmation, particularly describing the place to be searched and the persons and things to be seized. [*New section adopted November 5, 1974.*]

SEC. 14. [*Repealed November 5, 1974. See Section 14, below.*]

[*Felony Defendant Before Magistrate—Prosecutions*]

SEC. 14. Felonies shall be prosecuted as provided by law, either by indictment or, after examination and commitment by a magistrate, by information.

A person charged with a felony by complaint subscribed under penalty of perjury and on file in a court in the county where the felony is triable shall be taken without unnecessary delay before a magistrate of that court. The magistrate shall immediately give the defendant a copy of the complaint, inform the defendant of the defendant's right to counsel, allow the defendant a reasonable time to send for counsel, and on the defendant's request read the complaint to the defendant. On the defendant's request the magistrate shall require a peace officer to transmit within the county where the court is located a message to counsel named by defendant.

A person unable to understand English who is charged with a crime has a right to an interpreter throughout the proceedings. [*New section adopted November 5, 1974.*]

[*Felony—Prosecution by Indictment*]

SEC. 14.1. If a felony is prosecuted by indictment, there shall be no postindictment preliminary hearing. [*New section adopted June 5, 1990. Initiative measure.*]

SEC. 14½. [*Repealed November 5, 1974.*]

SEC. 15. [*Repealed November 5, 1974. See Section 15, below.*]

[*Criminal Prosecutions—Rights of Defendant—Due Process of Law—Jeopardy—Depositions—Assistance of Counsel*]

SEC. 15. The defendant in a criminal cause has the right to a speedy public trial, to compel attendance of witnesses in the defendant's behalf, to have the assistance of counsel for the defendant's defense, to be personally present with counsel, and to be confronted with the wit-

nesses against the defendant. The Legislature may provide for the deposition of a witness in the presence of the defendant and the defendant's counsel.

Persons may not twice be put in jeopardy for the same offense, be compelled in a criminal cause to be a witness against themselves, or be deprived of life, liberty, or property without due process of law. [*New* section adopted November 5, 1974.]

SEC. 16. [*Repealed November 5, 1974. See Section 16, below.*]

[*Trial by Jury*]

SEC. 16. Trial by jury is an inviolate right and shall be secured to all, but in a civil cause three-fourths of the jury may render a verdict. A jury may be waived in a criminal cause by the consent of both parties expressed in open court by the defendant and the defendant's counsel. In a civil cause a jury may be waived by the consent of the parties expressed as prescribed by statute.

[*Number of Jurors in Civil Trials*]

In civil causes the jury shall consist of 12 persons or a lesser number agreed on by the parties in open court. In civil causes in municipal or justice court the Legislature may provide that the jury shall consist of eight persons or a lesser number agreed on by the parties in open court.

[*Number of Jurors in Criminal Trials*]

In criminal actions in which a felony is charged, the jury shall consist of 12 persons. In criminal actions in which a misdemeanor is charged,

thejury shall consist of 12 persons or a lesser number agreed on by the parties in open court. [*As amended November 4, 1980.*]

SEC. 17. [*Repealed November 5, 1974. See Section 17, below.*]

[*Unusual Punishment—Excessive Fines*]

SEC. 17. Cruel or unusual punishment may not be inflicted or excessive fines imposed. [*New section adopted November 5, 1974.*]

SEC. 18. [*Repealed November 5, 1974. See Section 18, below.*]

[*Treason*]

SEC. 18. Treason against the State consists only in levying war against it, adhering to its enemies, or giving them aid and comfort. A person may not be convicted of treason except on the evidence of two witnesses to the same overt act or by confession in open court. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974. See Section 19, below.*]

[*Eminent Domain*]

SEC. 19. Private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of em-

the owner of money determined by the court to be the probable amount of just compensation. [*New section adopted November 5, 1974.*]

SEC. 20. [*Repealed November 5, 1974. See Section 20, below.*]

[*Rights of Noncitizens*]

SEC. 20. Noncitizens have the same property rights as citizens. [*New section adopted November 5, 1974.*]

SEC. 21. [*Repealed November 5, 1974. See Section 21, below.*]

[*Separate Property of Husband and Wife*]

SEC. 21. Property owned before marriage or acquired during marriage by gift, will, or inheritance is separate property. [*Former Section 8 of Article XX, as renumbered November 5, 1974.*]

SEC. 22. [*Repealed November 5, 1974. See Section 22, below.*]

[*No Property Qualification for Electors*]

SEC. 22. The right to vote or hold office may not be conditioned by a property qualification. [*New section adopted November 5, 1974.*]

SEC. 23. [*Repealed November 5, 1974. See Section 23, below.*]

[*Grand Juries*]

SEC. 23. One or more grand juries shall be drawn and summoned at least once a year in each county. [*New section adopted November 5, 1974.*]

SEC. 24. [*Repealed November 5, 1974. See Section 24, below.*]

[*Constitutional Rights—Rights Reserved*]

SEC. 24. Rights guaranteed by this Constitution are not dependent on those guaranteed by the United States Constitution.

In criminal cases the rights of a defendant to equal protection of the laws, to due process of law, to the assistance of counsel, to be personally present with counsel, to a speedy and public trial, to compel the attendance of witnesses, to confront the witnesses against him or her, to be free from unreasonable searches and seizures, to privacy, to not be compelled to be a witness against himself or herself, to not be placed twice in jeopardy for the same offense, and to not suffer the imposition of cruel or unusual punishment, shall be construed by the courts of this State in a manner consistent with the Constitution of the United States. This Constitution shall not be construed by the courts to afford greater rights to criminal defendants than those afforded by the Constitution of the United States, nor shall it be construed to afford greater rights to minors in juvenile proceedings on criminal causes than those afforded by the Constitution of the United States.

This declaration of rights may not be construed to impair or deny others retained by the people. [*As amended June 5, 1990. Initiative measure.*]

[*Right to Fish*]

SECTION 25. The people shall have the right to fish upon and from the public lands of the State and in the waters thereof, excepting upon lands set aside for fish hatcheries, and no land owned by the State shall ever be sold or transferred without reserving in the people the absolute right to fish thereupon; and no law shall ever be passed making it a crime for the people to enter upon the public lands within this State for the purpose of fishing in any water containing fish that have been planted therein by the State; *provided*, that the Legislature may by statute, provide for the season when and the conditions under which the different species of fish may be taken. [*New section adopted November 8, 1910.*]

SEC. 26. [*Renumbered Section 1 of Article II June 8, 1976. See Section 26, below.*]

[*Constitution Mandatory and Prohibitory*]

SEC. 26. The provisions of this Constitution are mandatory and prohibitory, unless by express words they are declared to be otherwise. [*Former Section 28, as renumbered June 8, 1976.*]

SEC. 26a. [*Repealed November 8, 1949.*]

[*Death Penalty*]

SEC. 27. All statutes of this State in effect on February 17, 1972, requiring, authorizing, imposing, or relating to the death penalty are in full force and effect, subject to legislative amendment or repeal by statute, initiative, or referendum.

The death penalty provided for under those statutes shall not be deemed to be, or to constitute, the infliction of cruel or unusual punishments within the meaning of Article 1, Section 6 nor shall such punishment for such offenses be deemed to contravene any other provision of this constitution. [*New section adopted November 7, 1972. Initiative measure.*]

SEC. 28. [*Renumbered Section 26 June 8, 1976. See Section 28, below.*]

[*"The Victims' Bill of Rights"*]

SEC. 28. (a) The People of the State of California find and declare that the enactment of comprehensive provisions and laws ensuring a bill of rights for victims of crime, including safeguards in the criminal justice system to fully protect those rights, is a matter of grave statewide concern.

The rights of victims pervade the criminal justice system, encompassing not only the right to restitution from the wrongdoers for financial losses suffered as a result of criminal acts, but also the more basic expectation that persons who commit felonious acts causing injury to innocent victims will be appropriately detained in custody, tried by the

courts, and sufficiently punished so that the public safety is protected and encouraged as a goal of highest importance.

Such public safety extends to public primary, elementary, junior high, and senior high school campuses, where students and staff have the right to be safe and secure in their persons.

To accomplish these goals, broad reforms in the procedural treatment of accused persons and the disposition and sentencing of convicted persons are necessary and proper as deterrents to criminal behavior and to serious disruption of people's lives.

(b) Restitution. It is the unequivocal intention of the People of the State of California that all persons who suffer losses as a result of criminal activity shall have the right to restitution from the persons convicted of the crimes for losses they suffer.

Restitution shall be ordered from the convicted persons in every case, regardless of the sentence or disposition imposed, in which a crime victim suffers a loss, unless compelling and extraordinary reasons exist to the contrary. The Legislature shall adopt provisions to implement this section during the calendar year following adoption of this section.

(c) Right to Safe Schools. All students and staff of public primary, elementary, junior high and senior high schools have the inalienable right to attend campuses which are safe, secure and peaceful.

(d) Right to Truth-in-Evidence. Except as provided by statute hereafter enacted by a two-thirds vote of the membership in each house of the Legislature, relevant evidence shall not be excluded in any criminal proceeding, including pretrial and post conviction motions and hearings, or in any trial or hearing of a juvenile for a criminal offense, whether heard in juvenile or adult court. Nothing in this section shall affect any existing statutory rule of evidence relating to privilege or hearsay, or Evidence Code, Sections 352, 782 or 1103. Nothing in this section shall affect any existing statutory or constitutional right of the press.

(e) Public Safety Bail. A person may be released on bail by sufficient sureties, except for capital crimes when the facts are evident or the presumption great. Excessive bail may not be required. 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 the trial or hearing of the case. Public safety shall be the primary consideration.

A person may be released on his or her own recognizance in the court's discretion, subject to the same factors considered in setting bail. However, no person charged with the commission of any serious felony shall be released on his or her own recognizance.

Before any person arrested for a serious felony may be released on bail, a hearing may be held before the magistrate or judge, and the prosecuting attorney shall be given notice and reasonable opportunity to be heard on the matter.

When a judge or magistrate grants or denies bail or release on a person's own recognizance, the reasons for that decision shall be stated in the record and included in the court's minutes.

(f) Use of Prior Convictions. Any prior felony conviction of any person in any criminal proceeding, whether adult or juvenile, shall subsequently be used without limitation for purposes of impeachment or enhancement of sentence in any criminal proceeding. When a prior felony conviction is an element of any felony offense, it shall be proven to the trier of fact in open court.

(g) As used in this article, the term "serious felony" is any crime defined in Penal Code, Section 1192.7(c). [*New section adopted June 8, 1982. Initiative measure.*]

[*Criminal Cases—Due Process of Law—Speedy and Public Trial*]

SEC. 29. In a criminal case, the people of the State of California have the right to due process of law and to a speedy and public trial. [*New section adopted June 5, 1990. Initiative measure.*]

[*Criminal Cases—Jointure-Hearsay Evidence—Discovery*]

SEC. 30. (a) This Constitution shall not be construed by the courts to prohibit the joining of criminal cases as prescribed by the Legislature or by the people through the initiative process.

(b) In order to protect victims and witnesses in criminal cases, hearsay evidence shall be admissible at preliminary hearings, as prescribed by the Legislature or by the people through the initiative process.

(c) In order to provide for fair and speedy trials, discovery in criminal cases shall be reciprocal in nature, as prescribed by the Legislature or by the people through the initiative process. [*New section adopted June 5, 1990. Initiative measure.*]

ARTICLE II. [*Repealed November 7, 1972. See Article II, below.*]

ARTICLE II

VOTING, INITIATIVE AND REFERENDUM, AND RECALL

[*Heading as amended June 8, 1976.*]

SEC. 1. [*Renumbered Section 2 June 8, 1976. See Section 1, below.*]

[*Purpose of Government*]

SECTION 1. All political power is inherent in the people. Government is instituted for their protection, security, and benefit, and they have the right to alter or reform it when the public good may require. [*Former Section 26 of Article I, as renumbered June 8, 1976.*]

SEC. 1½. [*Repealed November 7, 1972.*]

SEC. 2. [*Renumbered Section 3 June 8, 1976. See Section 2, below.*]

[*Right to Vote*]

SEC. 2. A United States citizen 18 years of age and resident in this State may vote. [*Former Section 1, as renumbered June 8, 1976.*]

SEC. 2.5. [*Repealed November 7, 1972.*]

SEC. 2¾. [*Repealed November 7, 1972.*]

SEC. 3. [*Renumbered Section 4 June 8, 1976. See Section 3, below.*]

[*Residence—Registration—Free Elections*]

SEC. 3. The Legislature shall define residence and provide for registration and free elections. [*Former Section 2, as renumbered June 8, 1976.*]

SEC. 4. [*Renumbered Section 5 June 8, 1976. See Section 4, below.*]

[*Improper Practices That Affect Elections—Mentally Incompetent, Etc.*]

SEC. 4. The Legislature shall prohibit improper practices that affect elections and shall provide for the disqualification of electors while mentally incompetent or imprisoned or on parole for the conviction of a felony. [*Former Section 3, as renumbered June 8, 1976.*]

SEC. 5. [*Renumbered Section 6 June 8, 1976. See Section 5, below.*]

[*Primary Elections for Partisan Offices—Open Presidential Primary*]

SEC. 5. The Legislature shall provide for primary elections for partisan offices, including an open presidential primary whereby the candidates on the ballot are those found by the Secretary of State to be recognized candidates throughout the nation or throughout California for the office of President of the United States, and those whose names are placed on the ballot by petition, but excluding any candidate who has withdrawn by filing an affidavit of noncandidacy. [*Former Section 4, as renumbered June 8, 1976.*]

SEC. 6. [*Renumbered Section 7 June 8, 1976. See Section 6, below.*]

[*Nonpartisan Offices*]

SEC. 6. (a) All judicial, school, county, and city offices shall be nonpartisan.

(b) No political party or party central committee may endorse, support, or oppose a candidate for nonpartisan office. [*As amended June 3, 1986.*]

SEC. 7. [*Repealed November 7, 1972. See Section 7, below.*]

[*Voting—Secret*]

SEC. 7. Voting shall be secret. [*Former Section 6, as renumbered June 8, 1976.*]

SEC. 8. [*Repealed November 7, 1972. See Section 8, below.*]

[*Initiative*]

SEC. 8. (a) The initiative is the power of the electors to propose statutes and amendments to the Constitution and to adopt or reject them.

(b) An initiative measure may be proposed by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by electors equal in number to 5 percent in the case of a statute, and 8 percent in the case of an amendment to the Constitution, of the votes for all candidates for Governor at the last gubernatorial election.

(c) The Secretary of State shall then submit the measure at the next general election held at least 131 days after it qualifies or at any special statewide election held prior to that general election. The Governor may call a special statewide election for the measure.

(d) An initiative measure embracing more than one subject may not be submitted to the electors or have any effect. [*Former Section 22 of Article IV, as renumbered June 8, 1976.*]

[*Referendum*]

SEC. 9. (a) The referendum is the power of the electors to approve or reject statutes or parts of statutes except urgency statutes, statutes calling elections, and statutes providing for tax levies or appropriations for usual current expenses of the State.

(b) A referendum measure may be proposed by presenting to the Secretary of State, within 90 days after the enactment date of the statute, a petition certified to have been signed by electors equal in number to 5 percent of the votes for all candidates for Governor at the last gubernatorial election, asking that the statute or part of it be submitted to the electors. In the case of a statute enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, the petition may not be presented on or after January 1 next following the enactment date unless a copy of the petition is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II before January 1.

(c) The Secretary of State shall then submit the measure at the next general election held at least 31 days after it qualifies or at a special statewide election held prior to that general election. The Governor may call a special statewide election for the measure. [*As amended June 5, 1990.*]

[*Initiative and Referendum—Vote and Effective Date—Conflicts—Legislative Repeal or Amendment—Titling*]

SEC. 10. (a) An initiative statute or referendum approved by a majority of votes thereon takes effect the day after the election unless the

measure provides otherwise. If a referendum petition is filed against a part of a statute the remainder shall not be delayed from going into effect.

(b) If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail.

(c) The Legislature may amend or repeal referendum statutes. It may amend or repeal an initiative statute by another statute that becomes effective only when approved by the electors unless the initiative statute permits amendment or repeal without their approval.

(d) Prior to circulation of an initiative or referendum petition for signatures, a copy shall be submitted to the Attorney General who shall prepare a title and summary of the measure as provided by law.

(e) The Legislature shall provide the manner in which petitions shall be circulated, presented, and certified, and measures submitted to the electors. [*Former Section 24 of Article IV, as renumbered June 8, 1976.*]

[*Initiative and Referendum—Cities or Counties*]

SEC. 11. Initiative and referendum powers may be exercised by the electors of each city or county under procedures that the Legislature shall provide. This section does not affect a city having a charter. [*Former Section 25 of Article IV, as renumbered June 8, 1976.*]

[*Naming Individual or Private Corporation to Office or Duty Prohibited*]

SEC. 12. No amendment to the Constitution, and no statute proposed to the electors by the Legislature or by initiative, that names any individual to hold any office, or names or identifies any private corporation to perform any function or to have any power or duty, may be submitted to the electors or have any effect. [*Former Section 26 of Article IV, as renumbered June 8, 1976.*]

[*Recall Defined*]

SEC. 13. Recall is the power of the electors to remove an elective officer. [*New section adopted June 8, 1976.*]

[*Recall Petitions*]

SEC. 14. (a) Recall of a state officer is initiated by delivering to the Secretary of State a petition alleging reason for recall. Sufficiency of reason is not reviewable. Proponents have 160 days to file signed petitions.

(b) A petition to recall a statewide officer must be signed by electors equal in number to 12 percent of the last vote for the office, with signatures from each of 5 counties equal in number to 1 percent of the last vote for the office in the county. Signatures to recall Senators, members

of the Assembly, members of the Board of Equalization, and judges of courts of appeal and trial courts must equal in number 20 percent of the last vote for the office.

(c) The Secretary of State shall maintain a continuous count of the signatures certified to that office. [*New section adopted June 8, 1976.*]

[*Recall Elections*]

SEC. 15. An election to determine whether to recall an officer and, if appropriate, to elect a successor shall be called by the Governor and held not less than 60 days nor more than 80 days from the date of certification of sufficient signatures. If the majority vote on the question is to recall, the officer is removed and, if there is a candidate, the candidate who receives a plurality is the successor. The officer may not be a candidate, nor shall there be any candidacy for an office filled pursuant to subdivision (d) of Section 16 of Article VI. [*New section adopted June 8, 1976.*]

[*Legislature to Provide for Petitions, Etc.*]

SEC. 16. The Legislature shall provide for circulation, filing, and certification of petitions, nomination of candidates, and the recall election. [*New section adopted June 8, 1976.*]

[*Recall of Governor or Secretary of State*]

SEC. 17. If recall of the Governor or Secretary of State is initiated, the recall duties of that office shall be performed by the Lieutenant Governor or Controller, respectively. [*New section adopted June 8, 1976.*]

[*Reimbursement of Recall Election Expenses*]

SEC. 18. A state officer who is not recalled shall be reimbursed by the State for the officer's recall election expenses legally and personally incurred. Another recall may not be initiated against the officer until six months after the election. [*New section adopted June 8, 1976.*]

[*Recall of Local Officers*]

SEC. 19. The Legislature shall provide for recall of local officers. This section does not affect counties and cities whose charters provide for recall. [*New section adopted June 8, 1976.*]

[*Terms of Elective Offices*]

SEC. 20. Terms of elective offices provided for by this Constitution, other than Members of the Legislature, commence on the Monday after January 1 following election. The election shall be held in the last even-numbered year before the term expires. [*New section adopted June 8, 1976.*]

ARTICLE III. [*Repealed November 7, 1972. See Article III, below.*]

ARTICLE III *

STATE OF CALIFORNIA

[*United States Constitution Supreme Law*]

SEC. 1. The State of California is an inseparable part of the United States of America, and the United States Constitution is the supreme law of the land. [*New section adopted November 7, 1972.*]

[*Boundaries of the State—Sacramento Seat of Government*]

SEC. 2. The boundaries of the State are those stated in the Constitution of 1849 as modified pursuant to statute. Sacramento is the capital of California. [*New section adopted November 7, 1972.*]

[*Separation of Powers*]

SEC. 3. The powers of state government are legislative, executive, and judicial. Persons charged with the exercise of one power may not exercise either of the others except as permitted by this Constitution. [*New section adopted November 7, 1972.*]

[*Administrative Agencies: Declaration Statute Unenforceable or Unconstitutional Prohibited*]

SEC. 3.5. An administrative agency, including an administrative agency created by the Constitution or an initiative statute, has no power:

(a) To declare a statute unenforceable, or refuse to enforce a statute, on the basis of it being unconstitutional unless an appellate court has made a determination that such statute is unconstitutional;

(b) To declare a statute unconstitutional;

(c) To declare a statute unenforceable, or to refuse to enforce a statute on the basis that federal law or federal regulations prohibit the enforcement of such statute unless an appellate court has made a determination that the enforcement of such statute is prohibited by federal law or federal regulations. [*New section adopted June 6, 1978.*]

[*Salaries of Elected State Officers—Salaries of Judges*]

SEC. 4. (a) Except as provided in subdivision (b), salaries of elected state officers may not be reduced during their term of office. Laws that set these salaries are appropriations.

(b) Beginning on January 1, 1981, the base salary of a judge of a court of record shall equal the annual salary payable as of July 1, 1980, for that office had the judge been elected in 1978. The Legislature may

* New Article III adopted November 7, 1972.

prescribe increases in those salaries during a term of office, and it may terminate prospective increases in those salaries at any time during a term of office, but it shall not reduce the salary of a judge during a term of office below the highest level paid during that term of office. Laws setting the salaries of judges shall not constitute an obligation of contract pursuant to Section 9 of Article I or any other provision of law. [*As amended November 4, 1980.*]

[*Suits Against State*]

SEC. 5. Suits may be brought against the State in such manner and in such courts as shall be directed by law. [*New section adopted November 7, 1972.*]

[*Official State Language*]

SEC. 6. (a) Purpose.

English is the common language of the people of the United States of America and the State of California. This section is intended to preserve, protect and strengthen the English language, and not to supersede any of the rights guaranteed to the people by this Constitution.

(b) English as the Official Language of California.

English is the official language of the State of California.

(c) Enforcement.

The Legislature shall enforce this section by appropriate legislation. The Legislature and officials of the State of California shall take all steps necessary to insure that the role of English as the common language of the State of California is preserved and enhanced. The Legislature shall make no law which diminishes or ignores the role of English as the common language of the State of California.

(d) Personal Right of Action and Jurisdiction of Courts.

Any person who is a resident of or doing business in the State of California shall have standing to sue the State of California to enforce this section, and the Courts of record of the State of California shall have jurisdiction to hear cases brought to enforce this section. The Legislature may provide reasonable and appropriate limitations on the time and manner of suits brought under this section. [*New section adopted November 4, 1986. Initiative measure.*]

[*Retirement Benefits for Elected Constitutional Officers*]

SEC. 7. (a) The retirement allowance for any person, all of whose credited service in the Legislators' Retirement System was rendered or was deemed to have been rendered as an elective officer of the State whose office is provided for by the California Constitution, other than a judge and other than a Member of the Senate or Assembly, and all or any part of whose retirement allowance is calculated on the basis of the compensation payable to the officer holding the office which the member last held prior to retirement, or for the survivor or beneficiary of such a person, shall not be increased or affected in any manner by

changes on or after November 5, 1986, in the compensation payable to the officer holding the office which the member last held prior to retirement.

(b) This section shall apply to any person, survivor, or beneficiary described in subdivision (a) who receives, or is receiving, from the Legislators' Retirement System a retirement allowance on or after November 5, 1986, all or any part of which allowance is calculated on the basis of the compensation payable to the officer holding the office which the member last held prior to retirement.

(c) It is the intent of the people, in adopting this section, to restrict retirement allowances to amounts reasonably to be expected by certain members and retired members of the Legislators' Retirement System and to preserve the basic character of earned retirement benefits while prohibiting windfalls and unforeseen advantages which have no relation to the real theory and objective of a sound retirement system. It is not the intent of this section to deny any member, retired member, survivor, or beneficiary a reasonable retirement allowance. Thus, this section shall not be construed as a repudiation of a debt nor the impairment of a contract for a substantial and reasonable retirement allowance from the Legislators' Retirement System.

(d) The people and the Legislature hereby find and declare that the dramatic increase in the retirement allowances of persons described in subdivison (a) which would otherwise result when the compensation for those offices increases on November 5, 1986, or January 5, 1987, are not benefits which could have reasonably been expected. The people and the Legislature further find and declare that the Legislature did not intend to provide in its scheme of compensation for those offices such windfall benefits. [*New section adopted November 4, 1986.*]

[*California Citizens Compensation Commission*]

SEC. 8. (a) The California Citizens Compensation Commission is hereby created and shall consist of seven members appointed by the Governor. The commission shall establish the annual salary and the medical dental, insurance, and other similar benefits of state officers.

(b) The commission shall consist of the following persons:

(1) Three public members, one of whom has expertise in the area of compensation, such as an economist, market researcher, or personnel manager; one of whom is a member of a nonprofit public interest organization; and one of whom is representative of the general population and may include, among others, a retiree, homemaker, or person of median income. No person appointed pursuant to this paragraph may, during the 12 months prior to his or her appointment, have held public office, either elective or appointive, have been a candidate for elective public office, or have been a lobbyist, as defined by the Political Reform Act of 1974.

(2) Two members who have experience in the business community, one of whom is an executive of a corporation incorporated in this State which ranks among the largest private sector employers in the State

based on the number of employees employed by the corporation in this State and one of whom is an owner of a small business in this State.

(3) Two members, each of whom is an officer or member of a labor organization.

(c) The Governor shall strive insofar as practicable to provide a balanced representation of the geographic, gender, racial, and ethnic diversity of the State in appointing commission members.

(d) The Governor shall appoint commission members and designate a chairperson for the commission not later than 30 days after the effective date of this section. The terms of two of the initial appointees shall expire on December 31, 1992, two on December 31, 1994, and three on December 31, 1996, as determined by the Governor. Thereafter, the term of each member shall be six years. Within 15 days of any vacancy, the Governor shall appoint a person to serve the unexpired portion of the term.

(e) No current or former officer or employee of this State is eligible for appointment to the commission.

(f) Public notice shall be given of all meetings of the commission, and the meetings shall be open to the public.

(g) On or before December 3, 1990, the commission shall, by a single resolution adopted by a majority of the membership of the commission, establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in that resolution shall be effective on and after December 3, 1990.

Thereafter, at or before the end of each of each fiscal year, the commission shall, by a single resolution adopted by a majority of the membership of the commission, adjust the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in the resolution shall be effective on and after the first Monday of the next December.

(h) In establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits, the commission shall consider all of the following:

(1) The amount of time directly or indirectly related to the performance of the duties, functions, and services of a state officer.

(2) The amount of the annual salary and the medical, dental, insurance, and other similar benefits for other elected and appointed officers and officials in this State with comparable responsibilities, the judiciary, and, to the extent practicable, the private sector, recognizing, however, that state officers do not receive, and do not expect to receive, compensation at the same levels as individuals in the private sector with comparable experience and responsibilities.

(3) The responsibility and scope of authority of the entity in which the state officer serves.

(i) Until a resolution establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits for state

officers takes effect, each state officer shall continue to receive the same annual salary and the medical, dental, insurance, and other similar benefits received previously.

(j) All commission members shall receive their actual and necessary expenses, including travel expenses, incurred in the performance of their duties. Each member shall be compensated at the same rate as members, other than the chairperson, of the Fair Political Practices Commission, or its successor, for each day engaged in official duties, not to exceed 45 days per year.

(k) It is the intent of the Legislature that the creation of the commission should not generate new state costs for staff and services. The Department of Personnel Administration, the Board of Administration of the Public Employees' Retirement System, or other appropriate agencies, or their successors, shall furnish, from existing resources, staff and services to the commission as needed for the performance of its duties.

(*l*) "State officer," as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, member of the State Board of Equalization, and Member of the Legislature. [*New section adopted June 5, 1990.*]

ARTICLE IV

LEGISLATIVE

[*Heading as amended November 8, 1966.*]

SECTION 1. [*Repealed November 8, 1966. See Section 1, below.*]

[*Legislative Power*]

SEC. 1. The legislative power of this State is vested in the California Legislature which consists of the Senate and Assembly, but the people reserve to themselves the powers of initiative and referendum. [*New section adopted November 8, 1966.*]

SEC. 1a. [*Renumbered Section 20 of Article XIII and amended November 8, 1966.*]

SEC. 1b. [*Repealed November 8, 1966.*]

SEC. 1c. [*Repealed November 8, 1966.*]

SEC. 1d. [*Repealed November 8, 1966.*]

[*Legislators—Limitation on Incumbency—Restriction of Retirement Benefits—Limitation of Staff and Support Services—Number of Terms*]

SEC. 1.5. The people find and declare that the Founding Fathers established a system of representative government based upon free, fair, and competitive elections. The increased concentration of political

power in the hands of incumbent representatives has made our electoral system less free, less competitive, and less representative.

The ability of legislators to serve unlimited number of terms, to establish their own retirement system, and to pay for staff and support services at state expense contribute heavily to the extremely high number of incumbents who are reelected. These unfair incumbent advantages discourage qualified candidates from seeking public office and create a class of career politicians, instead of the citizen representatives envisioned by the Founding Fathers. These career politicians become representatives of the bureaucracy, rather than of the people whom they are elected to represent.

To restore a free and democratic system of fair elections, and to encourage qualified candidates to seek public office, the people find and declare that the powers of incumbency must be limited. Retirement benefits must be restricted, state-financed incumbent staff and support services limited, and limitations placed upon the number of terms which may be served. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 2. [*Repealed November 8, 1966. See Section 2, below.*]

[*Senate and Assembly—Membership—Elections—Number of Terms—Qualifications—Vacancies*]

SEC. 2. (a) The Senate has a membership of 40 Senators elected for 4-year terms, 20 to begin every 2 years. No Senator may serve more than 2 terms.

The Assembly has a membership of 80 members elected for 2-year terms. No member of the Assembly may serve more than 3 terms.

Their terms shall commence on the first Monday in December next following their election.

(b) Election of members of the Assembly shall be on the first Tuesday after the first Monday in November of even-numbered years unless otherwise prescribed by the Legislature. Senators shall be elected at the same time and places as members of the Assembly.

(c) A person is ineligible to be a member of the Legislature unless the person is an elector and has been a resident of the legislative district for one year, and a citizen of the United States and a resident of California for 3 years, immediately preceding the election.

(d) When a vacancy occurs in the Legislature the Governor immediately shall call an election to fill the vacancy. [*As amended November 6, 1990. Initiative measure.*]

SEC. 3. [*Repealed November 8, 1966. See Section 3, below.*]

[*Legislative Sessions—Regular and Special Sessions*]

SEC. 3. (a) The Legislature shall convene in regular session at noon on the first Monday in December of each even-numbered year and each house shall immediately organize. Each session of the Legis-

lature shall adjourn sine die by operation of the Constitution at midnight on November 30 of the following even-numbered year.

(b) On extraordinary occasions the Governor by proclamation may cause the Legislature to assemble in special session. When so assembled it has power to legislate only on subjects specified in the proclamation but may provide for expenses and other matters incidental to the session. [*As amended June 8, 1976.*]

SEC. 4. [*Repealed November 8, 1966. See Section 4, below.*]

[*Legislators—Conflict of Interest—Prohibited Compensation—Earned Income*]

SEC. 4. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no Member of the Legislature may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the Legislature. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any Member who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on the lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession.

[*Legislators—Travel and Living Expenses*]

(b) Travel and living expenses for Members of the Legislature in connection with their official duties shall be prescribed by statute passed by rollcall vote entered in the journal, two-thirds of the membership of each house concurring. A Member may not receive travel and living expenses during the times that the Legislature is in recess for more than three calendar days, unless the Member is traveling to or from, or is in attendance at, any meeting of a committee of which he or she is a member, or a meeting, conference, or other legislative function or responsibility as authorized by the rules of the house of which he or she is a member, which is held at a location at least 20 miles from his or her place of residence.

[*Legislators—Retirement*]

(c) The Legislature may not provide retirement benefits based on any portion of a monthly salary in excess of five hundred dollars ($500)

paid to any Member of the Legislature unless the Member receives the greater amount while serving as a Member in the Legislature. The Legislature may, prior to their retirement, limit the retirement benefits payable to Members of the Legislature who serve during or after the term commencing in 1967.

When computing the retirement allowance of a Member who serves in the Legislature during the term commencing in 1967 or later, allowance may be made for increases in cost of living if so provided by statute, but only with respect to increases in the cost of living occurring after retirement of the Member. However, the Legislature may provide that no Member shall be deprived of a cost of living adjustment based on a monthly salary of five hundred dollars ($500) which has accrued prior to the commencement of the 1967 Regular Session of the Legislature. [*As amended June 5, 1990.*]

[*Legislators—Retirement*]

SEC. 4.5. Notwithstanding any other provision of this Constitution or existing law, a person elected to or serving in the Legislature on or after November 1, 1990, shall participate in the Federal Social Security (Retirement, Disability, Health Insurance) Program and the State shall pay only the employer's share of the contribution necessary to such participation. No other pension or retirement benefit shall accrue as a result of service in the Legislature, such service not being intended as a career occupation. This Section shall not be construed to abrogate or diminish any vested pension or retirement benefit which may have accrued under an existing law to a person holding or having held office in the Legislature, but upon adoption of this Act no further entitlement to nor vesting in any existing program shall accrue to any such person, other than Social Security to the extent herein provided. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 5. [*Repealed November 8, 1966. See Section 5, below.*]

[*Legislators—Qualifications—Expulsion*]

SEC. 5. (a) Each house shall judge the qualifications and elections of its Members and, by rollcall vote entered in the journal, two thirds of the membership concurring, may expel a Member.

[*Legislators—Honoraria*]

(b) No Member of the Legislature may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

[*Legislators—Gifts—Conflict of Interest*]

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a Member of the Legislature from any source if the acceptance of the gift might create a conflict of interest.

[*Legislators—Prohibited Compensation or Activity*]

(d) No Member of the Legislature may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a Member knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the Member may not, for a period of one year following the acceptance of the compensation, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession. However, a Member may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person before a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the Member is a member if the Member does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

[*Legislators—Lobbying*]

(e) The Legislature shall enact laws that prohibit a Member of the Legislature whose term of office commences on or after December 3, 1990, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the Legislature for 12 months after leaving office.

[*Legislators—Conflict of Interest*]

(f) The Legislature shall enact new laws, and strengthen the enforcement of existing laws, prohibiting Members of the Legislature from engaging in activities or having interests which conflict with the proper discharge of their duties and responsibilities. However, the people reserve to themselves the power to implement this requirement pursuant to Article II. [*As amended June 5, 1990. Subdivision (b) operative December 3, 1990.*]

SEC. 6. [*Repealed June 3, 1980. See Section 6, below.*]

[*Senatorial and Assembly Districts*]

SEC. 6. For the purpose of choosing members of the Legislature, the State shall be divided into 40 Senatorial and 80 Assembly districts to be called Senatorial and Assembly Districts. Each Senatorial district

shall choose one Senator and each Assembly district shall choose one member of the Assembly. [*New section adopted June 3, 1980.*]

SEC. 7. [*Repealed November 8, 1966. See Section 7, below.*]

[*House Rules—Officers—Quorum*]

SEC. 7. (a) Each house shall choose its officers and adopt rules for its proceedings. A majority of the membership constitutes a quorum, but a smaller number may recess from day to day and compel the attendance of absent members.

[*Journals*]

(b) Each house shall keep and publish a journal of its proceedings. The rollcall vote of the members on a question shall be taken and entered in the journal at the request of 3 members present.

[*Public Proceedings—Closed Sessions*]

(c) (1) The proceedings of each house and the committees thereof shall be open and public. However, closed sessions may be held solely for any of the following purposes:

(A) To consider the appointment, employment, evaluation of performance, or dismissal of a public officer or employee, to consider or hear complaints or charges brought against a Member of the Legislature or other public officer or employee, or to establish the classification or compensation of an employee of the Legislature.

(B) To consider matters affecting the safety and security of Members of the Legislature or its employees or the safety and security of any buildings and grounds used by the Legislature.

(C) To confer with, or receive advice from, its legal counsel regarding pending or reasonably anticipated, or whether to initiate, litigation when discussion in open session would not protect the interests of the house or committee regarding the litigation.

(2) A caucus of the Members of the Senate, the Members of the Assembly, or the Members of both houses, which is composed of the members of the same political party, may meet in closed session.

(3) The Legislature shall implement this subdivision by concurrent resolution adopted by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, or by statute, and shall prescribe that, when a closed session is held pursuant to paragraph (1), reasonable notice of the closed session and the purpose of the closed session shall be provided to the public. If there is a conflict between a concurrent resolution and statute, the last adopted or enacted shall prevail.

[*Recess*]

(d) Neither house without the consent of the other may recess for more than 10 days or to any other place. [*As amended June 5, 1990. Subdivision (c) operative December 3, 1990.*]

[*Legislature—Total Aggregate Expenditures*]

SEC. 7.5. In the fiscal year immediately following the adoption of this Act, the total aggregate expenditures of the Legislature for the compensation of members and employees of, and the operating expenses and equipment for, the Legislature may not exceed an amount equal to nine hundred fifty thousand dollars ($950,000) per member for that fiscal year or 80 percent of the amount of money expended for those purposes in the preceding fiscal year, whichever is less. For each fiscal year thereafter, the total aggregate expenditures may not exceed an amount equal to that expended for those purposes in the preceding fiscal year, adjusted and compounded by an amount equal to the percentage increase in the appropriations limit for the State established pursuant to Article XIII B. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 8. [*Repealed November 8, 1966. See Section 8, below.*]

[*Bills and Statutes—30-day Waiting Period*]

SEC. 8. (a) At regular sessions no bill other than the budget bill may be heard or acted on by committee or either house until the 31st day after the bill is introduced unless the house dispenses with this requirement by rollcall vote entered in the journal, three fourths of the membership concurring.

[*Bills and Statutes—3 Readings*]

(b) The Legislature may make no law except by statute and may enact no statute except by bill. No bill may be passed unless it is read by title on 3 days in each house except that the house may dispense with this requirement by rollcall vote entered in the journal, two thirds of the membership concurring. No bill may be passed until the bill with amendments has been printed and distributed to the members. No bill may be passed unless, by rollcall vote entered in the journal, a majority of the membership of each house concurs.

[*Bills and Statutes—Effective Date*]

(c) (1) Except as provided in paragraphs (2) and (3) of this subdivision, a statute enacted at a regular session shall go into effect on January 1 next following a 90-day period from the date of enactment of the statute and a statute enacted at a special session shall go into effect on the 91st day after adjournment of the special session at which the bill was passed.

(2) A statute, other than a statute establishing or changing boundaries of any legislative, congressional, or other election district, enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, shall go into effect on January 1 next following the enactment date of the statute unless, before January 1, a copy of a

referendum petition affecting the statute is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II, in which event the statute shall go into effect on the 91st day after the enactment date unless the petition has been presented to the Secretary of State pursuant to subdivision (b) of Section 9 of Article II.

(3) Statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes shall go into effect immediately upon their enactment.

[*Bills and Statutes—Urgency Statutes*]

(d) Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house the section and the bill shall be passed separately, each by rollcall vote entered in the journal, two thirds of the membership concurring. An urgency statute may not create or abolish any office or change the salary, term, or duties of any office, or grant any franchise or special privilege, or create any vested right or interest. [*As amended June 5, 1990.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[*Statutes—Title—Section*]

SEC. 9. A statute shall embrace but one subject, which shall be expressed in its title. If a statute embraces a subject not expressed in its title, only the part not expressed is void. A statute may not be amended by reference to its title. A section of a statute may not be amended unless the section is re-enacted as amended. [*New section adopted November 8, 1966.*]

SEC. 10. [*Repealed November 8, 1966. See Section 10, below.*]

[*Governor's Veto—Bill Introduction in Biennial Session*]

SEC. 10. (a) Each bill passed by the Legislature shall be presented to the Governor. It becomes a statute if it is signed by the Governor. The Governor may veto it by returning it with any objections to the house of origin, which shall enter the objections in the journal and proceed to reconsider it. If each house then passes the bill by rollcall vote entered in the journal, two thirds of the membership concurring, it becomes a statute.

(b) (1) Any bill, other than a bill which would establish or change boundaries of any legislative, congressional, or other election district, passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, that is not returned within 30 days after that date becomes a statute.

(2) Any bill passed by the Legislature before September 1 of the second calendar year of the biennium of the legislative session and in the

possession of the Governor on or after September 1 that is not returned on or before September 30 of that year becomes a statute.

(3) Any other bill presented to the Governor that is not returned within 12 days becomes a statute.

(4) If the Legislature by adjournment of a special session prevents the return of a bill with the veto message, the bill becomes a statute unless the Governor vetoes the bill within 12 days after it is presented by depositing it and the veto message in the office of the Secretary of State.

(5) If the 12th day of the period within which the Governor is required to perform an act pursuant to paragraph (3) or (4) of this subdivision is a Saturday, Sunday, or holiday, the period is extended to the next day that is not a Saturday, Sunday, or holiday.

(c) Any bill introduced during the first year of the biennium of the legislative session that has not been passed by the house of origin by January 31 of the second calendar year of the biennium may no longer be acted on by the house. No bill may be passed by either house on or after September 1 of an even-numbered year except statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes, and bills passed after being vetoed by the Governor.

(d) The Legislature may not present any bill to the Governor after November 15 of the second calendar year of the biennium of the legislative session.

(e) The Governor may reduce or eliminate one or more items of appropriation while approving other portions of a bill. The Governor shall append to the bill a statement of the items reduced or eliminated with the reasons for the action. The Governor shall transmit to the house originating the bill a copy of the statement and reasons. Items reduced or eliminated shall be separately reconsidered and may be passed over the Governor's veto in the same manner as bills. [*As amended June 5, 1990.*]

SEC. 11. [*Repealed November 8, 1966. See Section 11, below.*]

[*Committees*]

SEC. 11. The Legislature or either house may by resolution provide for the selection of committees necessary for the conduct of its business, including committees to ascertain facts and make recommendations to the Legislature on a subject within the scope of legislative control. [*As amended November 7, 1972.*]

SEC. 12. [*Repealed November 8, 1966. See Section 12, below.*]

[*Governor's Budget—Budget Bill—Other Appropriations*]

SEC. 12. (a) Within the first 10 days of each calendar year, the Governor shall submit to the Legislature, with an explanatory message, a budget for the ensuing fiscal year containing itemized statements for recommended state expenditures and estimated state revenues. If

recommended expenditures exceed estimated revenues, the Governor shall recommend the sources from which the additional revenues should be provided.

(b) The Governor and the Governor-elect may require a state agency, officer or employee to furnish whatever information is deemed necessary to prepare the budget.

(c) The budget shall be accompanied by a budget bill itemizing recommended expenditures. The bill shall be introduced immediately in each house by the persons chairing the committees that consider appropriations. The Legislature shall pass the budget bill by midnight on June 15 of each year. Until the budget bill has been enacted, the Legislature shall not send to the Governor for consideration any bill appropriating funds for expenditure during the fiscal year for which the budget bill is to be enacted, except emergency bills recommended by the Governor or appropriations for the salaries and expenses of the Legislature.

(d) No bill except the budget bill may contain more than one item of appropriation, and that for one certain, expressed purpose. Appropriations from the General Fund of the State, except appropriations for the public schools, are void unless passed in each house by rollcall vote entered in the journal, two thirds of the membership concurring.

(e) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies. [*As amended June 4, 1974, and November 5, 1974.*]

SEC. 13. [*Repealed November 8, 1966. See Section 13, below.*]

[*Legislators—Ineligible for Certain Offices*]

SEC. 13. A member of the Legislature may not, during the term for which the member is elected, hold any office or employment under the State other than an elective office. [*As amended November 5, 1974.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[*Members—Not Subject to Civil Process*]

SEC. 14. A member of the Legislature is not subject to civil process during a session of the Legislature or for 5 days before and after a session. [*New section adopted November 8, 1966.*]

SEC. 15. [*Repealed November 8, 1966. See Section 15, below.*]

[*Influencing Action or Vote of a Member—Felony*]

SEC. 15. A person who seeks to influence the vote or action of a member of the Legislature in the member's legislative capacity by bribery, promise of reward, intimidation, or other dishonest means, or a member of the Legislature so influenced, is guilty of a felony. [*As amended November 5, 1974.*]

SEC. 16. [*Repealed November 8, 1966. See Section 16, below.*]

[*Uniform Operation of General Laws—Special Statute—Invalid*]

SEC. 16. (a) All laws of a general nature have uniform operation.

(b) A local or special statute is invalid in any case if a general statute can be made applicable. [*As amended November 5, 1974.*]

SEC. 17. [*Repealed November 8, 1966. See Section 17, below.*]

[*Grant of Extra Compensation or Allowance Prohibited*]

SEC. 17. The Legislature has no power to grant, or to authorize a city, county, or other public body to grant, extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or to authorize the payment of a claim against the State or a city, county, or other public body under an agreement made without authority of law. [*New section adopted November 8, 1966.*]

SEC. 18. [*Repealed November 8, 1966. See Section 18, below.*]

[*Impeachment*]

SEC. 18. (a) The Assembly has the sole power of impeachment. Impeachments shall be tried by the Senate. A person may not be convicted unless, by rollcall vote entered in the journal, two thirds of the membership of the Senate concurs.

(b) State officers elected on a statewide basis, members of the State Board of Equalization, and judges of state courts are subject to impeachment for misconduct in office. Judgment may extend only to removal from office and disqualification to hold any office under the State, but the person convicted or acquitted remains subject to criminal punishment according to law. [*New section adopted November 8, 1966.*]

SEC. 19. [*Repealed November 8, 1966. See Section 19, below.*]

[*Lotteries—Horse Races Regulated—Bingo Games for Charitable Purposes*]

SEC. 19. (a) The Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a) the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New Jersey. [*As amended November 6, 1984. Initiative measure.*]

SEC. 20. [*Repealed November 8, 1966. See Section 20, below.*]

[*Fish and Game—Districts and Commission*]

SEC. 20. (a) The Legislature may provide for division of the State into fish and game districts and may protect fish and game in districts or parts of districts.

(b) There is a Fish and Game Commission of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for 6-year terms and until their successors are appointed and qualified. Appointment to fill a vacancy is for the unexpired portion of the term. The Legislature may delegate to the commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. A member of the commission may be removed by concurrent resolution adopted by each house, a majority of the membership concurring. [*New section adopted November 8, 1966.*]

SEC. 21. [*Repealed November 8, 1966. See Section 21, below.*]

[*War- or Enemy-Caused Disaster*]

SEC. 21. To meet the needs resulting from war-caused or enemy-caused disaster in California, the Legislature may provide for:

(a) Filling the offices of members of the Legislature should at least one fifth of the membership of either house be killed, missing, or disabled, until they are able to perform their duties or successors are elected.

(b) Filling the office of Governor should the Governor be killed, missing, or disabled, until the Governor or the successor designated in this Constitution is able to perform the duties of the office of Governor or a successor is elected.

(c) Convening the Legislature.

(d) Holding elections to fill offices that are elective under this Constitution and that are either vacant or occupied by persons not elected thereto.

(e) Selecting a temporary seat of state or county government. [*As amended November 5, 1974.*]

SEC. 22. [*Renumbered Section 8 of Article II June 8, 1976. See Section 22, below.*]

[*Accountability—Session Goals and Objectives*]

SEC. 22. It is the right of the people to hold their legislators accountable. To assist the people in exercising this right, at the convening of each regular session of the Legislature, the President pro Tempore of the Senate, the Speaker of the Assembly, and the minority leader of each house shall report to their house the goals and objectives of that house during that session and, at the close of each regular session, the progress made toward meeting those goals and objectives. [*New section adopted June 5, 1990.*]

SEC. 22a. [*Repealed November 8, 1966.*]

SEC. 23. [*Renumbered Section 9 of Article II June 8, 1976.*]

SEC. 23a. [*Repealed November 8, 1966.*]

SEC. 23b. [*Repealed November 8, 1966.*]

SEC. 24. [*Renumbered Section 10 of Article II June 8, 1976.*]

SEC. 25. [*Renumbered Section 11 of Article II June 8, 1976.*]

SEC. 25a. [*Repealed November 8, 1966.*]

SEC. 25½. [*Repealed November 8, 1966.*]

SEC. 25⅝. [*Renumbered Section 22 of Article XIII and amended November 8, 1966.*]

SEC. 25¾. [*Renumbered Section 25.7 and amended November 6, 1962.*]

SEC. 25.7. [*Repealed November 8, 1966.*]

SEC. 26. [*Renumbered Section 12 of Article II June 8, 1976.*]

SEC. 27. [*Repealed June 3, 1980.*]

SEC. 28. [*Repealed June 8, 1976. See Section 28, below.*]

[*State Capitol Maintenance—Appropriations*]

SEC. 28. (a) Notwithstanding any other provision of this Constitution, no bill shall take effect as an urgency statute if it authorizes or contains an appropriation for either (1) the alteration or modification of the color, detail, design, structure or fixtures of the historically restored areas of the first, second, and third floors and the exterior of the west wing of the State Capitol from that existing upon the completion of the project of restoration or rehabilitation of the building conducted pursuant to Section 9124 of the Government Code as such section read upon the effective date of this section, or (2) the purchase of furniture of different design to replace that restored, replicated, or designed to conform to the historic period of the historically restored areas specified above, including the legislators' chairs and desks in the Senate and Assembly Chambers.

(b) No expenditures shall be made in payment for any of the purposes described in subdivision (a) of this section unless funds are appropriated expressly for such purposes.

(c) This section shall not apply to appropriations or expenditures for ordinary repair and maintenance of the State Capitol building, fixtures and furniture. [*New Section adopted June 3, 1980.*]

SEC. 29. [*Renumbered Section 23 of Article XIII and amended November 8, 1966.*]

SEC. 30. [*Renumbered Section 24 of Article XIII and amended November 8, 1966.*]

SEC. 31. [*Renumbered Section 25 of Article XIII and amended November 8, 1966.*]

SEC. 31a. [*Renumbered Section 26 of Article XIII and amended November 8, 1966.*]

SEC. 31b. [*As adopted by Assembly Constitutional Amendment 14 of 1931, repealed November 6, 1956.*]

SEC. 31b. [*As adopted November 8, 1932, renumbered Section 27 of Article XIII and amended November 8, 1966.*]

SEC. 31c. [*As adopted November 3, 1936, renumbered Section 28 of Article XIII and amended November 8, 1966.*]

SEC. 31c. [*As adopted November 3, 1942, repealed November 6, 1956.*]

SEC. 31d. [*Repealed November 6, 1956.*]

SEC. 32. [*Repealed November 8, 1966.*]

SEC. 33. [*Repealed November 8, 1966.*]

SEC. 34. [*Repealed November 8, 1966.*]

SEC. 34a. [*Repealed November 8, 1966.*]

SEC. 35. [*Repealed November 8, 1966.*]

SEC. 36. [*Repealed November 8, 1966.*]

SEC. 37. [*Repealed November 8, 1966.*]

SEC. 38. [*Repealed November 8, 1966.*]

ARTICLE V. [*Repealed November 8, 1966. See Article V, below.*]

ARTICLE V *

EXECUTIVE

SECTION 1. [*Repealed November 8, 1966. See Section 1, below.*]

[*Executive Power Vested in Governor*]

SECTION 1. The supreme executive power of this State is vested in the Governor. The Governor shall see that the law is faithfully executed. [*As amended November 5, 1974.*]

SEC. 2. [*Repealed November 8, 1966. See Section 2, below.*]

[*Election—Eligibility—Number of Terms*]

SEC. 2. The Governor shall be elected every fourth year at the same time and places as members of the Assembly and hold office from the Monday after January 1 following the election until a successor qualifies. The Governor shall be an elector who has been a citizen of the United States and a resident of this State for 5 years immediately preceding the Governor's election. The Governor may not hold other public office. No Governor may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

---

* New Article V adopted November 8, 1966.

SEC. 3. [*Repealed November 8, 1966. See Section 3, below.*]

[*Report to Legislature—Recommendations*]

SEC. 3. The Governor shall report to the Legislature each calendar year on the condition of the State and may make recommendations. [*As amended November 7, 1972.*]

SEC. 4. [*Repealed November 8, 1966. See Section 4, below.*]

[*Information From Executive Officers, Etc.*]

SEC. 4. The Governor may require executive officers and agencies and their employees to furnish information relating to their duties. [*New section adopted November 8, 1966.*]

SEC. 4.5. [*Renumbered Section 4 and amended November 8, 1960.*]

SEC. 5. [*Repealed November 8, 1966. See Section 5, below.*]

[*Filling Vacancies—Confirmation by Legislature*]

SEC. 5. (a) Unless the law otherwise provides, the Governor may fill a vacancy in office by appointment until a successor qualifies.

(b) Whenever there is a vacancy in the office of the Superintendent of Public Instruction, the Lieutenant Governor, Secretary of State, Controller, Treasurer, or Attorney General, or on the State Board of Equalization, the Governor shall nominate a person to fill the vacancy who shall take office upon confirmation by a majority of the membership of the Senate and a majority of the membership of the Assembly and who shall hold office for the balance of the unexpired term. In the event the nominee is neither confirmed nor refused confirmation by both the Senate and the Assembly within 90 days of the submission of the nomination, the nominee shall take office as if he or she had been confirmed by a majority of the Senate and Assembly; provided, that if such 90-day period ends during a recess of the Legislature, the period shall be extended until the sixth day following the day on which the Legislature reconvenes. [*As amended November 2, 1976.*]

SEC. 6. [*Repealed November 8, 1966. See Section 6, below.*]

[*Executive Assignment and Agency Reorganization*]

SEC. 6. Authority may be provided by statute for the Governor to assign and reorganize functions among executive officers and agencies and their employees, other than elective officers and agencies administered by elective officers. [*New section adopted November 8, 1966.*]

SEC. 7. [*Repealed November 8, 1966. See Section 7, below.*]

[*Commander of Militia*]

SEC. 7. The Governor is commander in chief of a militia that shall be provided by statute. The Governor may call it forth to execute the law. [*As amended November 5, 1974.*]

SEC. 8. [*Repealed November 8, 1966. See Section 8, below.*]

[*Reprieves—Pardons—Commutations*]

SEC. 8. (a) Subject to application procedures provided by statute, the Governor, on conditions the Governor deems proper, may grant a reprieve, pardon, and commutation, after sentence, except in case of impeachment. The Governor shall report to the Legislature each reprieve, pardon, and commutation granted, stating the pertinent facts and the reasons for granting it. The Governor may not grant a pardon or commutation to a person twice convicted of a felony except on recommendation of the Supreme Court, 4 judges concurring.

(b) No decision of the parole authority of this State with respect to the granting, denial, revocation, or suspension of parole of a person sentenced to an indeterminate term upon conviction of murder shall become effective for a period of 30 days, during which the Governor may review the decision subject to procedures provided by statute. The Governor may only affirm, modify, or reverse the decision of the parole authority on the basis of the same factors which the parole authority is required to consider. The Governor shall report to the Legislature each parole decision affirmed, modified, or reversed, stating the pertinent facts and reasons for the action. [*As amended November 8, 1988.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[*Lieutenant Governor—Qualifications—Casting Vote*]

SEC. 9. The Lieutenant Governor shall have the same qualifications as the Governor. The Lieutenant Governor is President of the Senate but has only a casting vote. [*As amended November 5, 1974.*]

SEC. 10. [*Repealed November 8, 1966. See Section 10, below.*]

[*Succession*]

SEC. 10. The Lieutenant Governor shall become Governor when a vacancy occurs in the office of Governor.

The Lieutenant Governor shall act as Governor during the impeachment, absence from the State, or other temporary disability of the Governor or of a Governor-elect who fails to take office.

The Legislature shall provide an order of precedence after the Lieutenant Governor for succession to the office of Governor and for the temporary exercise of the Governor's functions.

The Supreme Court has exclusive jurisdiction to determine all questions arising under this section.

Standing to raise questions of vacancy or temporary disability is vested exclusively in a body provided by statute. [*As amended November 5, 1974.*]

SEC. 11. [*Repealed November 8, 1966. See Section 11, below.*]

[*Other State Officers—Election—Number of Terms*]

SEC. 11. The Lieutenant Governor, Attorney General, Controller, Secretary of State, and Treasurer shall be elected at the same time and

places and for the same term as the Governor. No Lieutenant Governor, Attorney General, Controller, Secretary of State, or Treasurer may serve in the same office for more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

SEC. 12. [*Repealed June 5, 1990.*]

SEC. 13. [*Repealed November 8, 1966. See Section 13, below.*]

[*Attorney General—Chief Law Officer*]

SEC. 13. Subject to the powers and duties of the Governor, the Attorney General shall be the chief law officer of the State. It shall be the duty of the Attorney General to see that the laws of the State are uniformly and adequately enforced. The Attorney General shall have direct supervision over every district attorney and sheriff and over such other law enforcement officers as may be designated by law, in all matters pertaining to the duties of their respective offices, and may require any of said officers to make reports concerning the investigation, detection, prosecution, and punishment of crime in their respective jurisdictions as to the Attorney General may seem advisable. Whenever in the opinion of the Attorney General any law of the State is not being adequately enforced in any county, it shall be the duty of the Attorney General to prosecute any violations of law of which the superior court shall have jurisdiction, and in such cases the Attorney General shall have all the powers of a district attorney. When required by the public interest or directed by the Governor, the Attorney General shall assist any district attorney in the discharge of the duties of that office. [*As amended November 5, 1974.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[*State Officers—Conflict of Interest—Prohibited Compensation—Earned Income*]

SEC. 14. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no state officer may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the state agency under the jurisdiction of the state officer. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any state officer who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the agency for which the state officer serves, other than an action or decision involving a bill described in subdivision (c) of Section 12 of Article IV, which he or she knows, or has reason to know, would have a direct and significant financial impact on the

lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession.

[*State Officers—Honoraria*]

(b) No state officer may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

[*State Officers—Gifts—Conflict of Interest*]

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a state officer from any source if the acceptance of the gift might create a conflict of interest.

[*State Officers—Prohibited Compensation or Activity*]

(d) No state officer may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a state officer knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the state officer may not, for a period of one year following the acceptance of the compensation, make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the state agency for which the state officer serves, other than an action or decision involving a bill described in subdivision (c) of Section 12 of Article IV, which he or she knows, or has reason to know, would have a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession. However, a state officer may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person before a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the state officer is a member if the state officer does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

[*State Officers—Lobbying*]

(e) The Legislature shall enact laws that prohibit a state officer, or a secretary of an agency or director of a department appointed by the Governor, who has not resigned or retired from state service prior to January 7, 1991, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the executive branch of state government for 12 months after leaving office.

[*State Officer—Definition*]

(f) "State officer," as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, and member of the State Board of Equalization. [*New section adopted June 5, 1990. Subdivision (b) operative December 3, 1990.*]

SEC. 15. [*Repealed November 8, 1966.*]

SEC. 16. [*Repealed November 8, 1966.*]

SEC. 17. [*Repealed November 8, 1966.*]

SEC. 18. [*Repealed November 8, 1966.*]

SEC. 19. [*Repealed November 8, 1960.*]

SEC. 20. [*Repealed November 8, 1966.*]

SEC. 21. [*Repealed November 8, 1966.*]

SEC. 22. [*Repealed November 8, 1966.*]

ARTICLE VI. [*Repealed November 8, 1966. See Article VI, below.*]

ARTICLE VI *

JUDICIAL

SECTION 1. [*Repealed November 8, 1966. See Section 1, below.*]

[*Judicial Power Vested in Courts*]

SEC. 1. The judicial power of this State is vested in the Supreme Court, courts of appeal, superior courts, municipal courts, and justice courts. All courts are courts of record. [*As amended November 8, 1988. Operative January 1, 1990.*]

SEC. 1a. [*Repealed November 8, 1966.*]

SEC. 1b. [*Repealed November 8, 1966.*]

SEC. 1c. [*Repealed November 8, 1966.*]

SEC. 2. [*Repealed November 8, 1966. See Section 2, below.*]

[*Supreme Court—Composition*]

SEC. 2. The Supreme Court consists of the Chief Justice of California and 6 associate justices. The Chief Justice may convene the court at any time. Concurrence of 4 judges present at the argument is necessary for a judgment.

An acting Chief Justice shall perform all functions of the Chief Justice when the Chief Justice is absent or unable to act. The Chief Justice or, if the Chief Justice fails to do so, the court shall select an associate justice as acting Chief Justice. [*As amended November 5, 1974.*]

---

* New Article VI adopted November 8, 1966.

SEC. 3. [*Repealed November 8, 1966. See Section 3, below.*]

[*Judicial Districts—Courts of Appeal*]

SEC. 3. The Legislature shall divide the State into districts each containing a court of appeal with one or more divisions. Each division consists of a presiding justice and 2 or more associate justices. It has the power of a court of appeal and shall conduct itself as a 3-judge court. Concurrence of 2 judges present at the argument is necessary for a judgment.

An acting presiding justice shall perform all functions of the presiding justice when the presiding justice is absent or unable to act. The presiding justice or, if the presiding justice fails to do so, the Chief Justice shall select an associate justice of that division as acting presiding justice. [*As amended November 5, 1974.*]

SEC. 4. [*Repealed November 8, 1966. See Section 4, below.*]

[*Superior Courts*]

SEC. 4. In each county there is a superior court of one or more judges. The Legislature shall prescribe the number of judges and provide for the officers and employees of each superior court. If the governing body of each affected county concurs, the Legislature may provide that one or more judges serve more than one superior court.

The county clerk is ex officio clerk of the superior court in the county. [*As amended November 5, 1974.*]

SEC. 4a. [*Repealed November 8, 1966.*]

SEC. 4b. [*Repealed November 8, 1966.*]

SEC. 4c. [*Repealed November 8, 1966.*]

SEC. 4d. [*Repealed November 8, 1966.*]

SEC. 4e. [*Repealed November 8, 1966.*]

SEC. 4½. [*Repealed November 8, 1966.*]

SEC. 4¾. [*Repealed November 8, 1966.*]

SEC. 5. [*Repealed November 8, 1966. See Section 5, below.*]

[*Municipal and Justice Courts*]

SEC. 5. (a) Each county shall be divided into municipal court and justice court districts as provided by statute, but a city may not be divided into more than one district. Each municipal and justice court shall have one or more judges.

There shall be a municipal court in each district of more than 40,000 residents and a justice court in each district of 40,000 residents or less. The number of residents shall be ascertained as provided by statute.

The Legislature shall provide for the organization and prescribe the jurisdiction of municipal and justice courts. It shall prescribe for each municipal court and provide for each justice court the number, qualifications, and compensation of judges, officers, and employees.

(b) Notwithstanding the provisions of subdivision (a), any city in San Diego County may be divided into more than one municipal court or justice court district if the Legislature determines that unusual geographic conditions warrant such division. [*As amended June 8, 1976.*]

SEC. 5.5. [*Repealed June 8, 1976.*]

SEC. 6. [*Repealed November 8, 1966. See Section 6, below.*]

[*Judicial Council—Membership and Powers*]

SEC. 6. The Judicial Council consists of the Chief Justice and one other judge of the Supreme Court, 3 judges of courts of appeal, 5 judges of superior courts, 3 judges of municipal courts, and 2 judges of justice courts, each appointed by the Chief Justice for a 2-year term; 4 members of the State Bar appointed by its governing body for 2-year terms; and one member of each house of the Legislature appointed as provided by the house.

Council membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term.

The council may appoint an Administrative Director of the Courts, who serves at its pleasure and performs functions delegated by the council or the Chief Justice, other than adopting rules of court administration, practice and procedure.

To improve the administration of justice the council shall survey judicial business and make recommendations to the courts, make recommendations annually to the Governor and Legislature, adopt rules for court administration, practice and procedure, not inconsistent with statute, and perform other functions prescribed by statute.

The Chief Justice shall seek to expedite judicial business and to equalize the work of judges. The Chief Justice may provide for the assignment of any judge to another court but only with the judge's consent if the court is of lower jurisdiction. A retired judge who consents may be assigned to any court.

Judges shall report to the Judicial Council as the Chief Justice directs concerning the condition of judicial business in their courts. They shall cooperate with the council and hold court as assigned. [*As amended November 5, 1974.*]

SEC. 7. [*Repealed November 8, 1966. See Section 7, below.*]

[*Commission on Judicial Appointments—Membership*]

SEC. 7. The Commission on Judicial Appointments consists of the Chief Justice, the Attorney General, and the presiding justice of the court of appeal of the affected district or, if there are 2 or more presiding justices, the one who has presided longest or, when a nomination or appointment to the Supreme Court is to be considered, the presiding justice who has presided longest on any court of appeal. [*New section adopted November 8, 1966.*]

SEC. 8. [*Repealed November 8, 1966. See Section 8, below.*]

[*Commission on Judicial Performance—Membership*]

SEC. 8. (a) The Commission on Judicial Performance consists of 2 judges of courts of appeal, 2 judges of superior courts, and one judge of a municipal court, each appointed by the Supreme Court; 2 members of the State Bar of California who have practiced law in this State for 10 years, appointed by its governing body; and 2 citizens who are not judges, retired judges, or members of the State Bar of California, appointed by the Governor and approved by the Senate, a majority of the membership concurring. Except as provided in subdivision (b), all terms are 4 years. No member shall serve more than 2 4-year terms.

Commission membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term. A member whose term has expired may continue to serve until the vacancy has been filled by the appointing power.

(b) To create staggered terms among the members of the Commission on Judicial Performance, the following members shall be appointed, as follows:

(1) The court of appeal member appointed to immediately succeed the term that expires on November 8, 1988, shall serve a 2-year term.

(2) Of the State Bar members appointed to immediately succeed terms that expire on December 31, 1988, one member shall serve for a 2-year term. [*As amended November 8, 1988.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[*State Bar*]

SEC. 9. The State Bar of California is a public corporation. Every person admitted and licensed to practice law in this State is and shall be a member of the State Bar except while holding office as a judge of a court of record. [*New section adopted November 8, 1966.*]

SEC. 10. [*Repealed November 8, 1966. See Section 10, below.*]

[*Jurisdiction—Original*]

SEC. 10. The Supreme Court, courts of appeal, superior courts, and their judges have original jurisdiction in habeas corpus proceedings. Those courts also have original jurisdiction in proceedings for extraordinary relief in the nature of mandamus, certiorari, and prohibition.

Superior courts have original jurisdiction in all causes except those given by statute to other trial courts.

The court may make such comment on the evidence and the testimony and credibility of any witness as in its opinion is necessary for the proper determination of the cause. [*New section adopted November 8, 1966.*]

SEC. 10a. [*Repealed November 8, 1966.*]

SEC. 10b. [*Repealed November 8, 1966.*]

SEC. 11. [*Repealed November 8, 1966. See Section 11, below.*]

[*Jurisdiction—Appellate*]

SEC. 11. The Supreme Court has appellate jurisdiction when judgment of death has been pronounced. With that exception courts of appeal have appellate jurisdiction when superior courts have original jurisdiction and in other causes prescribed by statute.

Superior courts have appellate jurisdiction in causes prescribed by statute that arise in municipal and justice courts in their counties.

The Legislature may permit appellate courts to take evidence and make findings of fact when jury trial is waived or not a matter of right. [*New section adopted November 8, 1966.*]

SEC. 11a. [*Repealed November 7, 1950.*]

SEC. 12. [*Repealed November 8, 1966. See Section 12, below.*]

[*Transfer of Causes—Jurisdiction—Review of Decisions*]

SEC. 12. (a) The Supreme Court may, before decision, transfer to itself a cause in a court of appeal. It may, before decision, transfer a cause from itself to a court of appeal or from one court of appeal or division to another. The court to which a cause is transferred has jurisdiction.

(b) The Supreme Court may review the decision of a court of appeal in any cause.

(c) The Judicial Council shall provide, by rules of court, for the time and procedure for transfer and for review, including, among other things, provisions for the time and procedure for transfer with instructions, for review of all or part of a decision, and for remand as improvidently granted.

(d) This section shall not apply to an appeal involving a judgment of death. [*As amended November 6, 1984. Operative May 6, 1985.*]

SEC. 13. [*Repealed November 7, 1950. See Section 13, below.*]

[*Judgment—When Set Aside*]

SEC. 13. No judgment shall be set aside, or new trial granted, in any cause, on the ground of misdirection of the jury, or of the improper admission or rejection of evidence, or for any error as to any matter of pleading, or for any error as to any matter of procedure, unless, after an examination of the entire cause, including the evidence, the court shall be of the opinion that the error complained of has resulted in a miscarriage of justice. [*New section adopted November 8, 1966.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[*Supreme Court and Appellate Court—Published Opinions*]

SEC. 14. The Legislature shall provide for the prompt publication of such opinions of the Supreme Court and courts of appeal as the Supreme Court deems appropriate, and those opinions shall be available for publication by any person.

Decisions of the Supreme Court and courts of appeal that determine causes shall be in writing with reasons stated. [*New section adopted November 8, 1966.*]

SEC. 15. [*Repealed November 8, 1966. See Section 15, below.*]

[*Judges—Eligibility*]

SEC. 15. A person is ineligible to be a judge of a court of record unless for 5 years immediately preceding selection to a municipal or justice court or 10 years immediately preceding selection to other courts, the person has been a member of the State Bar or served as a judge of a court of record in this State. A judge eligible for municipal court service may be assigned by the Chief Justice to serve on any court. [*As amended November 8, 1988. Operative January 1, 1990.*]

[*Judges—Eligibility*]

SEC. 15.5. The 5-year membership or service requirement of Section 15 does not apply to justice court judges who held office on January 1, 1988.

This section shall be operative only until January 1, 1995, and as of that date is repealed. [*New section adopted November 8, 1988. Operative January 1, 1990. Repealed January 1, 1995.*]

SEC. 16. [*Repealed November 8, 1966. See Section 16, below.*]

[*Judges—Elections—Terms—Vacancies*]

SEC. 16. (a) Judges of the Supreme Court shall be elected at large and judges of courts of appeal shall be elected in their districts at general elections at the same time and places as the Governor. Their terms are 12 years beginning the Monday after January 1 following their election, except that a judge elected to an unexpired term serves the remainder of the term. In creating a new court of appeal district or division the Legislature shall provide that the first elective terms are 4, 8, and 12 years.

(b) Judges of other courts shall be elected in their counties or districts at general elections. The Legislature may provide that an unopposed incumbent's name not appear on the ballot.

(c) Terms of judges of superior courts are 6 years beginning the Monday after January 1 following their election. A vacancy shall be filled by election to a full term at the next general election after the January 1 following the vacancy, but the Governor shall appoint a person to fill the vacancy temporarily until the elected judge's term begins.

(d) Within 30 days before August 16 preceding the expiration of the judge's term, a judge of the Supreme Court or a court of appeal may file a declaration of candidacy to succeed to the office presently held by the judge. If the declaration is not filed, the Governor before September 16 shall nominate a candidate. At the next general election, only the candidate so declared or nominated may appear on the ballot, which shall present the question whether the candidate shall be elected. The

candidate shall be elected upon receiving a majority of the votes on the question. A candidate not elected may not be appointed to that court but later may be nominated and elected.

The Governor shall fill vacancies in those courts by appointment. An appointee holds office until the Monday after January 1 following the first general election at which the appointee had the right to become a candidate or until an elected judge qualifies. A nomination or appointment by the Governor is effective when confirmed by the Commission on Judicial Appointments.

Electors of a county, by majority of those voting and in a manner the Legislature shall provide, may make this system of selection applicable to judges of superior courts. [*As amended November 5, 1974.*]

SEC. 17. [*Repealed November 6, 1956. See Section 17, below.*]

[*Judges—Restrictions, Other Employment, and Benefits*]

SEC. 17. A judge of a court of record may not practice law and during the term for which the judge was selected is ineligible for public employment or public office other than judicial employment or judicial office, except a judge of a court of record may accept a part-time teaching position that is outside the normal hours of his or her judicial position and that does not interfere with the regular performance of his or her judicial duties while holding office. A judge of a trial court of record may, however, become eligible for election to other public office by taking a leave of absence without pay prior to filing a declaration of candidacy. Acceptance of the public office is a resignation from the office of judge.

A judicial officer may not receive fines or fees for personal use.

A judicial officer may not earn retirement service credit from a public teaching position while holding judicial office. [*As amended November 8, 1988.*]

SEC. 18. [*Repealed November 8, 1966. See Section 18, below.*]

[*Judges—Disqualification, Suspension, Removal, Retirement, or Reproval*]

SEC. 18. (a) A judge is disqualified from acting as a judge, without loss of salary, while there is pending (1) an indictment or an information charging the judge in the United States with a crime punishable as a felony under California or federal law, or (2) a recommendation to the Supreme Court by the Commission on Judicial Performance for removal or retirement of the judge.

(b) On recommendation of the Commission on Judicial Performance or on its own motion, the Supreme Court may suspend a judge from office without salary when in the United States the judge pleads guilty or no contest or is found guilty of a crime punishable as a felony under California or federal law or of any other crime that involves moral turpitude under that law. If the conviction is reversed suspension terminates, and the judge shall be paid the salary for the judicial office

held by the judge for the period of suspension. If the judge is suspended and the conviction becomes final the Supreme Court shall remove the judge from office.

(c) On recommendation of the Commission on Judicial Performance the Supreme Court may (1) retire a judge for disability that seriously interferes with the performance of the judge's duties and is or is likely to become permanent, and (2) censure or remove a judge for action occurring not more than 6 years prior to the commencement of the judge's current term that constitutes wilful misconduct in office, persistent failure or inability to perform the judge's duties, habitual intemperance in the use of intoxicants or drugs, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute. The Commission on Judicial Performance may privately admonish a judge found to have engaged in an improper action or a dereliction of duty, subject to review in the Supreme Court in the manner provided for review of causes decided by a court of appeal.

(d) A judge retired by the Supreme Court shall be considered to have retired voluntarily. A judge removed by the Supreme Court is ineligible for judicial office and pending further order of the court is suspended from practicing law in this State.

(e) A recommendation of the Commission on Judicial Performance for the censure, removal or retirement of a judge of the Supreme Court shall be determined by a tribunal of 7 court of appeal judges selected by lot.

(f) If, after conducting a preliminary investigation, the Commission on Judicial Performance by vote determines that formal proceedings should be instituted:

(1) The judge or judges charged may require that formal hearings be public, unless the Commission on Judicial Performance by vote finds good cause for confidential hearings.

(2) The Commission on Judicial Performance may, without further review in the Supreme Court, issue a public reproval with the consent of the judge for conduct warranting discipline. The public reproval shall include an enumeration of any and all formal charges brought against the judge which have not been dismissed by the commission.

(3) The Commission on Judicial Performance may in the pursuit of public confidence and the interests of justice, issue press statements or releases or, in the event charges involve moral turpitude, dishonesty, or corruption, open hearings to the public.

(g) The Commission on Judicial Performance may issue explanatory statements at any investigatory stage when the subject matter is generally known to the public.

(h) The Judicial Council shall make rules implementing this section and providing for confidentiality of proceedings. [*As amended November 8, 1988.*]

SEC. 19. [*Repealed November 8, 1966. See Section 19, below.*]

[*Judges—Compensation*]

SEC. 19. The Legislature shall prescribe compensation for judges of courts of record.

A judge of a court of record may not receive the salary for the judicial office held by the judge while any cause before the judge remains pending and undetermined for 90 days after it has been submitted for decision. [*As amended November 5, 1974.*]

SEC. 20. [*Repealed November 8, 1966. See Section 20, below.*]

[*Judges—Retirement—Disability*]

SEC. 20. The Legislature shall provide for retirement, with reasonable allowance, of judges of courts of record for age or disability. [*New section adopted November 8, 1966.*]

SEC. 21. [*Repealed November 8, 1966. See Section 21, below.*]

[*Temporary Judges*]

SEC. 21. On stipulation of the parties litigant the court may order a cause to be tried by a temporary judge who is a member of the State Bar, sworn and empowered to act until final determination of the cause. [*New section adopted November 8, 1966.*]

SEC. 22. [*Repealed November 4, 1930. See Section 22, below.*]

[*Appointment of Officers—Subordinate Judicial Duties*]

SEC. 22. The Legislature may provide for the appointment by trial courts of record of officers such as commissioners to perform subordinate judicial duties. [*New section adopted November 8, 1966.*]

SEC. 23. [*Repealed November 8, 1966.*]

SEC. 24. [*Repealed November 8, 1966.*]

SEC. 25. [*Repealed November 6, 1956.*]

SEC. 26. [*Repealed November 8, 1966.*]

SEC. 26a. [*Repealed November 6, 1962.*]

ARTICLE VII. [*Repealed November 8, 1966. See Article VII, below.*]

ARTICLE VII *

PUBLIC OFFICERS AND EMPLOYEES

SECTION 1. [*Repealed November 8, 1966. See Section 1, below.*]

[*Civil Service*]

SECTION 1. (a) The civil service includes every officer and employee of the State except as otherwise provided in this Constitution.

---

* New Article VII adopted June 8, 1976.

(b) In the civil service permanent appointment and promotion shall be made under a general system based on merit ascertained by competitive examination. [*New section adopted June 8, 1976.*]

[*Personnel Board—Membership and Compensation*]

SEC. 2. (a) There is a Personnel Board of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for 10-year terms and until their successors are appointed and qualified. Appointment to fill a vacancy is for the unexpired portion of the term. A member may be removed by concurrent resolution adopted by each house, two-thirds of the membership of each house concurring.

(b) The board annually shall elect one of its members as presiding officer.

(c) The board shall appoint and prescribe compensation for an executive officer who shall be a member of the civil service but not a member of the board. [*New section adopted June 8, 1976.*]

[*Personnel Board—Duties*]

SEC. 3. (a) The board shall enforce the civil service statutes and, by majority vote of all its members, shall prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions.

(b) The executive officer shall administer the civil service statutes under rules of the board. [*New section adopted June 8, 1976.*]

[*Exempt Positions*]

SEC. 4. The following are exempt from civil service:

(a) Officers and employees appointed or employed by the Legislature, either house, or legislative committees.

(b) Officers and employees appointed or employed by councils, commissions or public corporations in the judicial branch or by a court of record or officer thereof.

(c) Officers elected by the people and a deputy and an employee selected by each elected officer.

(d) Members of boards and commissions.

(e) A deputy or employee selected by each board or commission either appointed by the Governor or authorized by statute.

(f) State officers directly appointed by the Governor with or without the consent or confirmation of the Senate and the employees of the Governor's office, and the employees of the Lieutenant Governor's office directly appointed or employed by the Lieutenant Governor.

(g) A deputy or employee selected by each officer, except members of boards and commissions, exempted under Section 4(f).

(h) Officers and employees of the University of California and the California State Colleges.

(i) The teaching staff of schools under the jurisdiction of the Department of Education or the Superintendent of Public Instruction.

(j) Member, inmate, and patient help in state homes, charitable or correctional institutions, and state facilities for mentally ill or retarded persons.

(k) Members of the militia while engaged in military service.

(*l*) Officers and employees of district agricultural associations employed less than 6 months in a calendar year.

(m) In addition to positions exempted by other provisions of this section, the Attorney General may appoint or employ six deputies or employees, the Public Utilities Commission may appoint or employ one deputy or employee, and the Legislative Counsel may appoint or employ two deputies or employees. [*New section adopted June 8, 1976.*]

[*Temporary Appointments*]

SEC. 5. A temporary appointment may be made to a position for which there is no employment list. No person may serve in one or more positions under temporary appointment longer than 9 months in 12 consecutive months. [*New section adopted June 8, 1976.*]

[*Veterans' Preferences—Special Rules*]

SEC. 6. (a) The Legislature may provide preferences for veterans and their surviving spouses.

(b) The board by special rule may permit persons in exempt positions, brought under civil service by constitutional provision, to qualify to continue in their positions.

(c) When the State undertakes work previously performed by a county, city, public district of this State or by a federal department or agency, the board by special rule shall provide for persons who previously performed this work to qualify to continue in their positions in the state civil service subject to such minimum standards as may be established by statute. [*New section adopted June 8, 1976.*]

[*Dual Office Holding*]

SEC. 7. A person holding a lucrative office under the United States or other power may not hold a civil office of profit. A local officer or postmaster whose compensation does not exceed 500 dollars per year or an officer in the militia or a member of a reserve component of the armed forces of the United States except where on active federal duty for more than 30 days in any year is not a holder of a lucrative office, nor is the holding of a civil office of profit affected by this military service. [*New section adopted June 8, 1976.*]

[*Disqualification From Holding Office or Serving on Jury—Free Suffrage*]

SEC. 8. (a) Every person shall be disqualified from holding any office of profit in this State who shall have been convicted of having given or offered a bribe to procure personal election or appointment.

(b) Laws shall be made to exclude persons convicted of bribery, perjury, forgery, malfeasance in office, or other high crimes from office or serving on juries. The privilege of free suffrage shall be supported by laws regulating elections and prohibiting, under adequate penalties, all undue influence thereon from power, bribery, tumult, or other improper practice. [*New section adopted June 8, 1976.*]

[*Persons or Organizations Advocating Overthrow of Government*]

SEC. 9. Notwithstanding any other provision of this Constitution, no person or organization which advocates the overthrow of the Government of the United States or the State by force or violence or other unlawful means or who advocates the support of a foreign government against the United States in the event of hostilities shall:

(a) Hold any office or employment under this State, including but not limited to the University of California, or with any county, city or county, city, district, political subdivision, authority, board, bureau, commission or other public agency of this State; or

(b) Receive any exemption from any tax imposed by this State or any county, city or county, city, district, political subdivision, authority, board, bureau, commission or other public agency of this State.

The Legislature shall enact such laws as may be necessary to enforce the provisions of this section. [*New section adopted June 8, 1976.*]

[*Elected Officials—Disqualification for Libelous or Slanderous Campaign Statements*]

SEC. 10. (a) No person who is found liable in a civil action for making libelous or slanderous statements against an opposing candidate during the course of an election campaign for any federal, statewide, Board of Equalization, or legislative office or for any county, city and county, city, district, or any other local elective office shall retain the seat to which he or she is elected, where it is established that the libel or slander was a major contributing cause in the defeat of an opposing candidate.

A libelous or slanderous statement shall be deemed to have been made by a person within the meaning of this section if that person actually made the statement or if the person actually or constructively assented to, authorized, or ratified the statement.

"Federal office," as used in this section means the office of United States Senator and Member of the House of Representatives; and to the extent that the provisions of this section do not conflict with any provision of federal law, it is intended that candidates seeking the office of United States Senator or Member of the House of Representatives comply with this section.

(b) In order to determine whether libelous or slanderous statements were a major contributing cause in the defeat of an opposing candidate, the trier of fact shall make a separate, distinct finding on that issue. If the trier of fact finds that libel or slander was a major contributing

cause in the defeat of an opposing candidate and that the libelous or slanderous statement was made with knowledge that it was false or with reckless disregard of whether it was false or true, the person holding office shall be disqualified from or shall forfeit that office as provided in subdivision (d). The findings required by this section shall be in writing and shall be incorporated as part of the judgment.

(c) In a case where a person is disqualified from holding office or is required to forfeit an office under subdivisions (a) and (b), that disqualification or forfeiture shall create a vacancy in office, which vacancy shall be filled in the manner provided by law for the filling of a vacancy in that particular office.

(d) Once the judgment of liability is entered by the trial court and the time for filing a notice of appeal has expired, or all possibility of direct attack in the courts of this State has been finally exhausted, the person shall be disqualified from or shall forfeit the office involved in that election and shall have no authority to exercise the powers or perform the duties of the office.

(e) This section shall apply to libelous or slanderous statements made on or after the effective date of this section. [*New section adopted June 5, 1984.*]

[*Legislators' and Judges' Retirement Systems*]

SEC. 11. (a) The Legislators' Retirement System shall not pay any unmodified retirement allowance or its actuarial equivalent to any person who on or after January 1, 1987, entered for the first time any state office for which membership in the Legislators' Retirement System was elective or to any beneficiary or survivor of such a person, which exceeds the higher of (1) the salary receivable by the person currently serving in the office in which the retired person served or (2) the highest salary that was received by the retired person while serving in that office.

(b) The Judges' Retirement System shall not pay any unmodified retirement allowance or its actuarial equivalent to any person who on or after January 1, 1987, entered for the first time any judicial office subject to the Judges' Retirement System or to any beneficiary or survivor of such a person, which exceeds the higher of (1) the salary receivable by the person currently serving in the judicial office in which the retired person served or (2) the highest salary that was received by the retired person while serving in that judicial office.

(c) The Legislature may define the terms used in this section.

(d) If any part of this measure or the application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications which reasonably can be given effect without the invalid provision or application. [*As amended November 6, 1990. Initiative measure.*]

ARTICLE VIII. [*Repealed November 8, 1966.*]

ARTICLE IX

EDUCATION

[*Legislative Policy*]

SECTION 1. A general diffusion of knowledge and intelligence being essential to the preservation of the rights and liberties of the people, the Legislature shall encourage by all suitable means the promotion of intellectual, scientific, moral, and agricultural improvement.

[*Superintendent of Public Instruction—Election—Date of Office—Number of Terms*]

SEC. 2. A Superintendent of Public Instruction shall be elected by the qualified electors of the State at each gubernatorial election. The Superintendent of Public Instruction shall enter upon the duties of the office on the first Monday after the first day of January next succeeding each gubernatorial election. No Superintendent of Public Instruction may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

[*Deputy and Associate Superintendents of Public Instruction*]

SEC. 2.1. The State Board of Education, on nomination of the Superintendent of Public Instruction, shall appoint one Deputy Superintendent of Public Instruction and three Associate Superintendents of Public Instruction who shall be exempt from state civil service and whose terms of office shall be four years.

This section shall not be construed as prohibiting the appointment, in accordance with law, of additional Associate Superintendents of Public Instruction subject to state civil service. [*New section adopted November 5, 1946.*]

[*County Superintendents of Schools*]

SEC. 3. A Superintendent of Schools for each county may be elected by the qualified electors thereof at each gubernatorial election or may be appointed by the county board of education, and the manner of the selection shall be determined by a majority vote of the electors of the county voting on the question; provided, that two or more counties may, by an election conducted pursuant to Section 3.2 of this article, unite for the purpose of electing or appointing one joint superintendent for the counties so uniting. [*As amended November 2, 1976.*]

[*County Superintendents of Schools—Qualifications and Salaries*]

SEC. 3.1. (a) Notwithstanding any provision of this Constitution to the contrary, the Legislature shall prescribe the qualifications required of county superintendents of schools, and for these purposes shall classify the several counties in the State.

(b) Notwithstanding any provision of this Constitution to the contrary, the county board of education or joint county board of education, as the case may be, shall fix the salary of the county superintendent of schools or the joint county superintendent of schools, respectively. [*As amended November 2, 1976.*]

[*Joint County Board of Education—Joint County Superintendent of Schools*]

SEC. 3.2. Notwithstanding any provision of this Constitution to the contrary, any two or more chartered counties, or nonchartered counties, or any combination thereof, may, by a majority vote of the electors of each such county voting on the proposition at an election called for that purpose in each such county, establish one joint board of education and one joint county superintendent of schools for the counties so uniting. A joint county board of education and a joint county superintendent of schools shall be governed by the general statutes and shall not be governed by the provisions of any county charter. [*New section adopted November 2, 1976.*]

[*County Boards of Education—Qualifications and Terms of Office*]

SEC. 3.3. Except as provided in Section 3.2 of this article, it shall be competent to provide in any charter framed for a county under any provision of this Constitution, or by the amendment of any such charter, for the election of the members of the county board of education of such county and for their qualifications and terms of office. [*As amended November 2, 1976.*]

SEC. 4. [*Repealed November 3, 1964.*]

[*Common School System*]

SEC. 5. The Legislature shall provide for a system of common schools by which a free school shall be kept up and supported in each district at least six months in every year, after the first year in which a school has been established.

[*Public Schools—Salaries*]

SEC. 6. Each person, other than a substitute employee, employed by a school district as a teacher or in any other position requiring certification qualifications shall be paid a salary which shall be at the rate of an annual salary of not less than twenty-four hundred dollars ($2,400) for a person serving full time, as defined by law.

[*Public School System*]

The Public School System shall include all kindergarten schools, elementary schools, secondary schools, technical schools, and state colleges, established in accordance with law and, in addition, the school districts and the other agencies authorized to maintain them. No school or college or any other part of the Public School System shall be,

directly or indirectly, transferred from the Public School System or placed under the jurisdiction of any authority other than one included within the Public School System.

[*Support of Public School System—State Aid*]

The Legislature shall add to the State School Fund such other means from the revenues of the State as shall provide in said fund for apportionment in each fiscal year, an amount not less than one hundred eighty dollars ($180) per pupil in average daily attendance in the kindergarten schools, elementary schools, secondary schools, and technical schools in the Public School System during the next preceding fiscal year.

The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through the school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, secondary schools, and technical schools except that there shall be apportioned to each school district in each fiscal year not less than one hundred twenty dollars ($120) per pupil in average daily attendance in the district during the next preceding fiscal year and except that the amount apportioned to each school district in each fiscal year shall be not less than twenty-four hundred dollars ($2,400).

Solely with respect to any retirement system provided for in the charter of any county or city and county pursuant to the provisions of which the contributions of, and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by said county or city and county, all amounts apportioned to said county or city and county, or to school districts therein, pursuant to the provisions of this section shall be considered as though derived from county or city and county school taxes for the support of county and city and county government and not money provided by the State within the meaning of this section. [*As amended November 5, 1974.*]

[*School Districts—Bonds*]

SEC. 6½. Nothing in this Constitution contained shall forbid the formation of districts for school purposes situate in more than one county or the issuance of bonds by such districts under such general laws as have been or may hereafter be prescribed by the Legislature; and the officers mentioned in such laws shall be authorized to levy and assess such taxes and perform all such other acts as may be prescribed therein for the purpose of paying such bonds and carrying out the other powers conferred upon such districts; *provided,* that all such bonds shall be issued subject to the limitations prescribed in section eighteen† of article eleven hereof. [*New section adopted November 7, 1922.*]

---

† Former Section 18 of Article XI added to Article XIII as Section 40, June 2, 1970 and repealed November 5, 1974.

[*Boards of Education*]

SEC. 7. The Legislature shall provide for the appointment or election of the State Board of Education and a board of education in each county or for the election of a joint county board of education for two or more counties. [*As amended November 2, 1976.*]

[*Free Textbooks*]

SEC. 7.5. The State Board of Education shall adopt textbooks for use in grades one through eight throughout the State, to be furnished without cost as provided by statute. [*New section adopted June 2, 1970.*]

[*Sectarian Schools—Public Money—Doctrines*]

SEC. 8. No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State.

[*University of California*]

SEC. 9. (a) The University of California shall constitute a public trust, to be administered by the existing corporation known as "The Regents of the University of California," with full powers of organization and government, subject only to such legislative control as may be necessary to insure the security of its funds and compliance with the terms of the endowments of the university and such competitive bidding procedures as may be made applicable to the university by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods, and services. Said corporation shall be in form a board composed of seven ex officio members, which shall be: the Governor, the Lieutenant Governor, the Speaker of the Assembly, the Superintendent of Public Instruction, the president and the vice president of the alumni association of the university and the acting president of the university, and 18 appointive members appointed by the Governor and approved by the Senate, a majority of the membership concurring; provided, however that the present appointive members shall hold office until the expiration of their present terms.

(b) The terms of the members appointed prior to November 5, 1974, shall be 16 years; the terms of two appointive members to expire as heretofore on March 1st of every even-numbered calendar year, and two members shall be appointed for terms commencing on March 1, 1976, and on March 1 of each year thereafter; provided that no such appointments shall be made for terms to commence on March 1, 1979, or on March 1 of each fourth year thereafter, to the end that no appointment to the regents for a newly commencing term shall be made during the first year of any gubernatorial term of office. The terms of the members appointed for terms commencing on and after March 1, 1976,

shall be 12 years. During the period of transition until the time when the appointive membership is comprised exclusively of persons serving for terms of 12 years, the total number of appointive members may exceed the numbers specified in the preceeding paragraph.

In case of any vacancy, the term of office of the appointee to fill such vacancy, who shall be appointed by the Governor and approved by the Senate, a majority of the membership concurring, shall be for the balance of the term for which such vacancy exists.

(c) The members of the board may, in their discretion, following procedures established by them and after consultation with representatives of faculty and students of the university, including appropriate officers of the academic senate and student governments, appoint to the board either or both of the following persons as members with all rights of participation: a member of the faculty at a campus of the university or of another institution of higher education; a person enrolled as a student at a campus of the university for each regular academic term during his service as a member of the board. Any person so appointed shall serve for not less than one year commencing on July 1.

(d) Regents shall be able persons broadly reflective of the economic, cultural, and social diversity of the State, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in the selection of regents.

(e) In the selection of the Regents, the Governor shall consult an advisory committee composed as follows: The Speaker of the Assembly and two public members appointed by the Speaker, the President Pro Tempore of the Senate and two public members appointed by the Rules Committee of the Senate, two public members appointed by the Governor, the chairman of the regents of the university, an alumnus of the university chosen by the alumni association of the university, a student of the university chosen by the Council of Student Body Presidents, and a member of the faculty of the university chosen by the academic senate of the university. Public members shall serve for four years, except that one each of the initially appointed members selected by the Speaker of the Assembly, the President Pro Tempore of the Senate, and the Governor shall be appointed to serve for two years; student, alumni, and faculty members shall serve for one year and may not be regents of the university at the time of their service on the advisory committee.

(f) The Regents of the University of California shall be vested with the legal title and the management and disposition of the property of the university and of property held for its benefit and shall have the power to take and hold, either by purchase or by donation, or gift, testamentary or otherwise, or in any other manner, without restriction, all real and personal property for the benefit of the university or incidentally to its conduct; provided, however, that sales of university real property shall be subject to such competitive bidding procedures as may be provided by statute. Said corporation shall also have all the powers necessary or convenient for the effective administration of its

trust, including the power to sue and to be sued, to use a seal, and to delegate to its committees or to the faculty of the university, or to others, such authority or functions as it may deem wise. The Regents shall receive all funds derived from the sale of lands pursuant to the act of Congress of July 2, 1862, and any subsequent acts amendatory thereof. The university shall be entirely independent of all political or sectarian influence and kept free therefrom in the appointment of its regents and in the administration of its affairs, and no person shall be debarred admission to any department of the university on account of race, religion, ethnic heritage, or sex.

(g) Meetings of the Regents of the University of California shall be public, with exceptions and notice requirements as may be provided by statute. [*As amended November 2, 1976.*]

SEC. 10. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974.*]

SEC. 12. [*Repealed November 5, 1974.*]

SEC. 13. [*Repealed November 5, 1974.*]

[*School District Incorporation and Organization—Governing Board Powers*]

SEC. 14. The Legislature shall have power, by general law, to provide for the incorporation and organization of school districts, high school districts, and community college districts, of every kind and class, and may classify such districts.

The Legislature may authorize the governing boards of all school districts to initiate and carry on any programs, activities, or to otherwise act in any manner which is not in conflict with the laws and purposes for which school districts are established. [*As amended November 7, 1972. Operative on July 1, 1973.*]

SEC. 15. [*Repealed November 5, 1974.*]

[*Boards of Education—City Charter Provisions*]

SEC. 16. (a) It shall be competent, in all charters framed under the authority given by Section 5 of Article XI, to provide, in addition to those provisions allowable by this Constitution, and by the laws of the State for the manner in which, the times at which, and the terms for which the members of boards of education shall be elected or appointed, for their qualifications, compensation and removal, and for the number which shall constitute any one of such boards.

[*Charter Amendments—Approval by Voters*]

(b) Notwithstanding Section 3 of Article XI, when the boundaries of a school district or community college district extend beyond the limits of a city whose charter provides for any or all of the foregoing with respect to the members of its board of education, no charter amendment effecting a change in the manner in which, the times at which, or the terms for which the members of the board of education shall be elected

or appointed, for their qualifications, compensation, or removal, or for the number which shall constitute such board, shall be adopted unless it is submitted to and approved by a majority of all the qualified electors of the school district or community college district voting on the question. Any such amendment, and any portion of a proposed charter or a revised charter which would establish or change any of the foregoing provisions respecting a board of education, shall be submitted to the electors of the school district or community college district as one or more separate questions. The failure of any such separate question to be approved shall have the result of continuing in effect the applicable existing law with respect to that board of education. [*As amended June 6, 1978.*]

ARTICLE X. [*Repealed November 7, 1972. See Article X, below.*]

ARTICLE X *

WATER

[*State's Right of Eminent Domain*]

SECTION 1. The right of eminent domain is hereby declared to exist in the State to all frontages on the navigable waters of this State. [*New section adopted June 8, 1976.*]

[*Conservation and Beneficial Use of Water—Riparian Rights*]

SEC. 2. It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. The right to water or to the use or flow of water in or from any natural stream or water course in this State is and shall be limited to such water as shall be reasonably required for the beneficial use to be served, and such right does not and shall not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. Riparian rights in a stream or water course attach to, but to no more than so much of the flow thereof as may be required or used consistently with this section, for the purposes for which such lands are, or may be made adaptable, in view of such reasonable and beneficial uses; provided, however, that nothing herein contained shall be construed as depriving any riparian owner of the reasonable use of water of the stream to which the owner's land is riparian under reasonable

* New Article X adopted June 8, 1976.

methods of diversion and use, or as depriving any appropriator of water to which the appropriator is lawfully entitled. This section shall be self-executing, and the Legislature may also enact laws in the furtherance of the policy in this section contained. [*New section adopted June 8, 1976.*]

[*Tidelands*]

SEC. 3. All tidelands within two miles of any incorporated city, city and county, or town in this State, and fronting on the water of any harbor, estuary, bay, or inlet used for the purposes of navigation, shall be withheld from grant or sale to private persons, partnerships, or corporations; provided, however, that any such tidelands, reserved to the State solely for street purposes, which the Legislature finds and declares are not used for navigation purposes and are not necessary for such purposes may be sold to any town, city, county, city and county, municipal corporations, private persons, partnerships or corporations subject to such conditions as the Legislature determines are necessary to be imposed in connection with any such sales in order to protect the public interest. [*New section adopted June 8, 1976.*]

[*Access to Navigable Waters*]

SEC. 4. No individual, partnership, or corporation, claiming or possessing the frontage or tidal lands of a harbor, bay, inlet, estuary, or other navigable water in this State, shall be permitted to exclude the right of way to such water whenever it is required for any public purpose, nor to destroy or obstruct the free navigation of such water; and the Legislature shall enact such laws as will give the most liberal construction to this provision, so that access to the navigable waters of this State shall be always attainable for the people thereof. [*New section adopted June 8, 1976.*]

[*State Control of Water Use*]

SEC. 5. The use of all water now appropriated, or that may hereafter be appropriated, for sale, rental, or distribution, is hereby declared to be a public use, and subject to the regulation and control of the State, in the manner to be prescribed by law. [*New section adopted June 8, 1976.*]

[*Compensation for Water Use*]

SEC. 6. The right to collect rates or compensation for the use of water supplied to any county, city and county, or town, or the inhabitants thereof, is a franchise, and cannot be exercised except by authority of and in the manner prescribed by law. [*New section adopted June 8, 1976.*]

[*Acquisition of Real Property—Conformance to California Water Laws*]

SEC. 7. Whenever any agency of government, local, state, or federal, hereafter acquires any interest in real property in this State, the acceptance of the interest shall constitute an agreement by the agency to conform to the laws of California as to the acquisition, control, use, and distribution of water with respect to the land so acquired. [*New section adopted June 8, 1976.*]

ARTICLE X A*

WATER RESOURCES DEVELOPMENT

[*Article X A has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982*]

[*Water Rights, Water Quality, and Fish and Wildlife Resources Guaranteed and Protected*]

SECTION 1. The people of the State hereby provide the following guarantees and protections in this article for water rights, water quality, and fish and wildlife resources. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Statutes for Protection of Fish and Wildlife Resources, Delta, Etc.*]

SEC. 2. No statute amending or repealing, or adding to, the provisions of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature which specify (1) the manner in which the State will protect fish and wildlife resources in the Sacramento-San Joaquin Delta, Suisun Marsh, and San Francisco Bay system westerly of the delta; (2) the manner in which the State will protect existing water rights in the Sacramento-San Joaquin Delta; and (3) the manner in which the State will operate the State Water Resources Development System to comply with water quality standards and water quality control plans, shall become effective unless approved by the electors in the same manner as statutes amending initiative statutes are approved; except that the Legislature may, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, amend or repeal, or add to, these provisions if the statute does not in any manner reduce the protection of the delta or fish and wildlife. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

---

*New Article XA adopted November 4, 1980.

† Chapter 632, Statutes of 1980.

[Appropriations of Water—Components of California Wild and Scenic Rivers System]

SEC. 3. No water shall be available for appropriation by storage in, or by direct diversion from, any of the components of the California Wild and Scenic Rivers System, as such system exists on January 1, 1981, where such appropriation is for export of water into another major hydrologic basin of the State, as defined in the Department of Water Resources Bulletin 160-74, unless such export is expressly authorized prior to such appropriation by: (a) an initiative statute approved by the electors, or (b) the Legislature, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[Statutes Amending, Repealing, or Adding to Delta Protection Act]

SEC. 4. No statute amending or repealing, or adding to, the provisions of Part 4.5 (commencing with Section 12200) of Division 6 of the Water Code (the Delta Protection Act) shall become effective unless approved by the electors in the same manner as statutes amending initiative statutes are approved; except that the Legislature may, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, amend or repeal, or add to, these provisions if the statute does not in any manner reduce the protection of the delta or fish and wildlife. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[Eminent Domain Proceedings to Acquire Water Rights or Contract Rights for Water or Water Quality Maintenance in Delta Prohibited]

SEC. 5. No public agency may utilize eminent domain proceedings to acquire water rights, which are held for uses within the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code, or any contract rights for water or water quality maintenance in the Delta for the purpose of exporting such water from the Delta. This provision shall not be construed to prohibit the utilization of eminent domain proceedings for the purpose of acquiring land or any other rights necessary for the construction of water facilities, including, but not limited to, facilities authorized in Chapter 8 (commencing with Section 12930) of Part 6 of Division 6 of the Water Code. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Actions and Proceedings*]

SEC. 6. (a) The venue of any of the following actions or proceedings brought in a superior court shall be Sacramento County:

(1) An action or proceeding to attack, review, set aside, void, or annul any provision of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature.

(2) An action or proceeding to attack, review, set aside, void, or annul the determination made by the Director of Water Resources and the Director of Fish and Game pursuant to subdivision (a) of Section 11255 of the Water Code.

(3) An action or proceeding which would have the effect of attacking, reviewing, preventing, or substantially delaying the construction, operation, or maintenance of the peripheral canal unit described in subdivision (a) of Section 11255 of the Water Code.

(4) An action or proceeding to require the State Water Resources Development System to comply with subdivision (b) of Section 11460 of the Water Code.

(5) An action or proceeding to require the Department of Water Resources or its successor agency to comply with the permanent agreement specified in subdivision (a) of Section 11256 of the Water Code.

(6) An action or proceeding to require the Department of Water Resources or its successor agency to comply with the provisions of the contracts entered into pursuant to Section 11456 of the Water Code.

(b) An action or proceeding described in paragraph (1) of subdivision (a) shall be commenced within one year after the effective date of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature. Any other action or proceeding described in subdivision (a) shall be commenced within one year after the cause of action arises unless a shorter period is otherwise provided by statute.

(c) The superior court or a court of appeals shall give preference to the actions or proceedings described in this section over all civil actions or proceedings pending in the court. The superior court shall commence hearing any such action or proceeding within six months after the commencement of the action or proceeding, provided that any such hearing may be delayed by joint stipulation of the parties or at the discretion of the court for good cause shown. The provisions of this section shall supersede any provisions of law requiring courts to give preference to other civil actions or proceedings. The provisions of this subdivision may be enforced by mandamus.

(d) The Supreme Court shall, upon the request of any party, transfer to itself, before a decision in the court of appeal, any appeal or petition for extraordinary relief from an action or proceeding described in this section, unless the Supreme Court determines that the action or proceeding is unlikely to substantially affect (1) the construction, operation, or maintenance of the peripheral canal unit described in

† Chapter 632, Statutes of 1980.

subdivision (a) of Section 11255 of the Water Code, (2) compliance with subdivision (b) of Section 11460 of the Water Code, (3) compliance with the permanent agreement specified in Section 11256 of the Water Code, or (4) compliance with the provisions of the contracts entered into pursuant to Section 11456 of the Water Code. The request for transfer shall receive preference on the Supreme Court's calendar. If the action or proceeding is transferred to the Supreme Court, the Supreme Court shall commence to hear the matter within six months of the transfer unless the parties by joint stipulation request additional time or the court, for good cause shown, grants additional time.

(e) The remedy prescribed by the court for an action or proceeding described in paragraph (4), (5), or (6) of subdivision (a) shall include, but need not be limited to, compliance with subdivision (b) of Section 11460 of the Water Code, the permanent agreement specified in Section 11256 of the Water Code, or the provisions of the contracts entered into pursuant to Section 11456 of the Water Code.

(f) The Board of Supervisors of the County of Sacramento may apply to the State Board of Control for actual costs imposed by the requirements of this section upon the county, and the State Board of Control shall pay such actual costs.

(g) Notwithstanding the provisions of this section, nothing in this Article shall be construed as prohibiting the Supreme Court from exercising the transfer authority contained in Article VI, Section 12 of the Constitution. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*State Agencies' Exercise of Authorized Powers*]

SEC. 7. State agencies shall exercise their authorized powers in a manner consistent with the protections provided by this article. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Force or Effect of Article*]

SEC. 8. This article shall have no force or effect unless Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature is enacted and takes effect. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

† Chapter 632, Statutes of 1980.

ARTICLE X B *

MARINE RESOURCES PROTECTION ACT OF 1990

[*Title*]

SECTION 1. This article shall be known and may be cited as the Marine Resources Protection Act of 1990. [*New section adopted November 6, 1990. Initiative measure.*]

[*Definitions*]

SEC. 2. (a) "District" means a fish and game district as defined in the Fish and Game Code by statute on January 1, 1990.

(b) Except as specifically provided in this article, all references to Fish and Game Code sections, articles, chapters, parts, and divisions are defined as those statutes in effect on January 1, 1990.

(c) "Ocean waters" means the waters of the Pacific Ocean regulated by the State.

(d) "Zone" means the Marine Resources Protection zone established pursuant to this article. The zone consists of the following:

(1) In waters less than 70 fathoms or within one mile, whichever is less, around the Channel Islands consisting of the Islands of San Miguel, Santa Rosa, Santa Cruz, Anacapa, San Nicolaus, Santa Barbara, Santa Catalina, and San Clemente.

(2) The area within three nautical miles offshore of the mainland coast, and the area within three nautical miles off any manmade breakwater, between a line extending due west from Point Arguello and a line extending due west from the Mexican border.

(3) In waters less than 35 fathoms between a line running 180 degrees true from Point Fermin and a line running 270 degrees true from the south jetty of Newport Harbor. [*New section adopted November 6, 1990. Initiative measure.*]

[*Gill and Trammel Nets—Usage*]

SEC. 3. (a) From January 1, 1991, to December 31, 1993, inclusive, gill nets or trammel nets may only be used in the zone pursuant to a nontransferable permit issued by the Department of Fish and Game pursuant to Section 5.

(b) On and after January 1, 1994, gill nets and trammel nets shall not be used in the zone. [*New section adopted November 6, 1990. Initiative measure.*]

[*Gill and Trammel Nets—Usage*]

SEC. 4. (a) Notwithstanding any other provision of law, gill nets and trammel nets may not be used to take any species of rockfish.

---

* New Article X B adopted November 6, 1990.

(b) In ocean waters north of Point Arguello on and after the effective date of this article, the use of gill nets and trammel nets shall be regulated by the provisions of Article 4 (commencing with Section 8660), Article 5 (commencing with Section 8680) and Article 6 (commencing with Section 8720) of Chapter 3 of Part 3 of Division 6 of the Fish and Game Code, or any regulation or order issued pursuant to these articles, in effect on January 1, 1990, except that as to Sections 8680, 8681, 8681.7, and 8682, and subdivisions (a) through (f), inclusive of Section 8681.5 of the Fish and Game Code, or any regulation or order issued pursuant to these sections, the provisions in effect on January 1, 1989, shall control where not in conflict with other provisions of this article, and shall be applicable to all ocean waters. Notwithstanding the provisions of this section, the Legislature shall not be precluded from imposing more restrictions on the use and/or possession of gill nets or trammel nets. The Director of the Department of Fish and Game shall not authorize the use of gill nets or trammel nets in any area where the use is not permitted even if the director makes specified findings. [*New section adopted November 6, 1990. Initiative measure.*]

[*Gill and Trammel Nets—Usage*]

SEC. 5. The Department of Fish and Game shall issue a permit to use a gill net or trammel net in the zone for the period specified in subdivision (a) of Section 3 to any applicant who meets both of the following requirements:

(a) Has a commercial fishing license issued pursuant to Sections 7850–7852.3 of the Fish and Game Code.

(b) Has a permit issued pursuant to Section 8681 of the Fish and Game Code and is presently the owner or operator of a vessel equipped with a gill net or trammel net. [*New section adopted November 6, 1990. Initiative measure.*]

[*Permit Fees*]

SEC. 6. The Department of Fish and Game shall charge the following fees for permits issued pursuant to Section 5 pursuant to the following schedule:

Calendar Year	Fee
1991	$250
1992	500
1993	1,000

[*New section adopted November 6, 1990. Initiative measure.*]

[*Permitholder's Compensation for Discontinuing Fishing with Gill and Trammel Nets*]

SEC. 7. (a) Within 90 days after the effective date of this section, every person who intends to seek the compensation provided in subdivision (b) shall notify the Department of Fish and Game, on forms

provided by the department, of that intent. Any person who does not submit the form within that 90-day period shall not be compensated pursuant to subdivision (b). The department shall publish a list of all persons submitting the form within 120 days after the effective date of this section.

(b) After July 1, 1993, and before January 1, 1994, any person who holds a permit issued pursuant to Section 5 and operates in the zone may surrender that permit to the department and agree to permanently discontinue fishing with gill or trammel nets in the zone, for which he or she shall receive, beginning on July 1, 1993, a one time compensation which shall be based upon the average annual ex vessel value of the fish other than any species of rockfish landed by a fisherman, which were taken pursuant to a valid general gill net or trammel net permit issued pursuant to Sections 8681 and 8682 of the Fish and Game Code within the zone during the years 1983 to 1987, inclusive. The department shall verify those landings by reviewing logs and landing receipts submitted to it. Any person who is denied compensation by the department as a result of the department's failure to verify landings may appeal that decision to the Fish and Game Commission.

(c) The State Board of Control shall, prior to the disbursement of any funds, verify the eligibility of each person seeking compensation and the amount of the compensation to be provided in order to ensure compliance with this section.

(d) Unless the Legislature enacts any required enabling legislation to implement this section on or before July 1, 1993, no compensation shall be paid under this article. [*New section adopted November 6, 1990. Initiative measure.*]

[*Marine Resources Protection Account—Fees—Interest*]

SEC. 8. (a) There is hereby created the Marine Resources Protection Account in the Fish and Game Preservation Fund. On and after January 1, 1991, the Department of Fish and Game shall collect any and all fees required by this article. All fees received by the department pursuant to this article shall be deposited in the account and shall be expended or encumbered to compensate persons who surrender permits pursuant to Section 7 or to provide for administration of this article. All funds received by the department during any fiscal year pursuant to this article which are not expended during that fiscal year to compensate persons as set forth in Section 7 or to provide for administration of this article shall be carried over into the following fiscal year and shall be used only for those purposes. All interest accrued from the department's retention of fees received pursuant to this article shall be credited to the account. The accrued interest may only be expended for the purposes authorized by this article. The account shall continue in existence, and the requirement to pay fees under this article shall remain in effect, until the compensation provided in Section 7 has been fully funded or until January 1, 1995, whichever occurs first.

(b) An amount, not to exceed 15 percent of the total annual revenues deposited in the account excluding any interest accrued or any funds carried over from a prior fiscal year may be expended for the administration of this article.

(c) In addition to a valid California sportfishing license issued pursuant to Sections 7149, 7149.1 or 7149.2 of the Fish and Game Code and any applicable sport license stamp issued pursuant to the Fish and Game Code, a person taking fish from ocean waters south of a line extending due west from Point Arguello for sport purposes shall have permanently affixed to that person's sportfishing license a marine resources protection stamp which may be obtained from the department upon payment of a fee of three dollars ($3). This subdivision does not apply to any one-day fishing license.

(d) In addition to a valid California commercial passenger fishing boat license required by Section 7920 of the Fish and Game Code, the owner of any boat or vessel who, for profit, permits any person to fish from the boat or vessel in ocean waters south of a line extending due west from Point Arguello, shall obtain and permanently affix to the license a commercial marine resources protection stamp which may be obtained from the department upon payment of a fee of three dollars ($3).

(e) The department may accept contributions or donations from any person who wishes to donate money to be used for the compensation of commercial gill net and trammel net fishermen who surrender permits under this article.

(f) This section shall become inoperative on January 1, 1995. [*New section adopted November 6, 1990. Inoperative January 1, 1995. Initiative measure.*]

[*Marine Resources Protection Account—Grants*]

SEC. 9. Any funds remaining in the Marine Resources Protection Account in the Fish and Game Preservation Fund on or after January 1, 1995, shall, with the approval of the Fish and Game Commission, be used to provide grants to colleges, universities and other bonafide scientific research groups to fund marine resource related scientific research within the ecological reserves established by Section 14 of this act. [*New section adopted November 6, 1990. Initiative measure.*]

[*Report to Legislature*]

SEC. 10. On or before December 31 of each year, the Director of Fish and Game shall prepare and submit a report to the Legislature regarding the implementation of this article including an accounting of all funds. [*New section adopted November 6, 1990. Initiative measure.*]

[*Violations*]

SEC. 11. It is unlawful for any person to take, possess, receive, transport, purchase, sell, barter, or process any fish obtained in violation of this article. [*New section adopted November 6, 1990. Initiative measure.*]

[*Commercial Fishing Daily Landings Monitoring and Evaluating Program*]

SEC. 12. To increase the State's scientific and biological information on the ocean fisheries of this State, the Department of Fish and Game shall establish a program whereby it can monitor and evaluate the daily landings of fish by commercial fishermen who are permitted under this article to take these fish. The cost of implementing this monitoring program shall be borne by the commercial fishing industry. [*New section adopted November 6, 1990. Initiative measure.*]

[*Penalties for Violations—Probation—Fine*]

SEC. 13. (a) The penalty for a first violation of the provisions of Sections 3 and 4 of this article is a fine of not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000) and a mandatory suspension of any license, permit or stamp to take, receive, transport, purchase, sell, barter or process fish for commercial purposes for six months. The penalty for a second or subsequent violation of the provisions of Sections 3 and 4 of this article is a fine of not less than two thousand five hundred dollars ($2,500) and not more than ten thousand dollars ($10,000) and a mandatory suspension of any license, permit or stamp to take, receive, transport, purchase, sell, barter, or process fish for commercial purposes for one year.

(b) Notwithstanding any other provisions of law, a violation of Section 8 of this article shall be deemed a violation of the provisions of Section 7145 of the Fish and Game Code and the penalty for such violation shall be consistent with the provisions of Section 12002.2 of said code.

(c) If a person convicted of a violation of Section 3, 4, or 8 of this article is granted probation, the court shall impose as a term or condition of probation, in addition to any other term or condition of probation, that the person pay at least the minimum fine prescribed in this section. [*New section adopted November 6, 1990. Initiative measure.*]

[*New Ecological Reserves*]

SEC. 14. Prior to January 1, 1994, the Fish and Game Commission shall establish four new ecological reserves in ocean waters along the mainland coast. Each ecological reserve shall have a surface area of at least two square miles. The commission shall restrict the use of these ecological reserves to scientific research relating to the management and enhancement of marine resources. [*New section adopted November 6, 1990. Initiative measure.*]

[*Article not Preempting or Superseding Other Protective Closures*]

SEC. 15. This article does not preempt or supersede any other closures to protect any other wildlife, including sea otters, whales, and shorebirds. [*New section adopted November 6, 1990. Initiative measure.*]

[*Severability*]

SEC. 16. If any provision of this article or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are severable. [*New section adopted November 6, 1990. Initiative measure.*]

ARTICLE XI. [*Repealed June 2, 1970. See Article XI, below.*]

ARTICLE XI *

LOCAL GOVERNMENT

SECTION 1. [*Repealed June 2, 1970. See Section 1, below.*]

[*Counties—Formation, Boundaries, County Seat, Officers, and Governing Body*]

SEC. 1. (a) The State is divided into counties which are legal subdivisions of the State. The Legislature shall prescribe uniform procedure for county formation, consolidation, and boundary change. Formation or consolidation requires approval by a majority of electors voting on the question in each affected county. A boundary change requires approval by the governing body of each affected county. No county seat shall be removed unless two-thirds of the qualified electors of the county, voting on the proposition at a general election, shall vote in favor of such removal. A proposition of removal shall not be submitted in the same county more than once in four years.

(b) The Legislature shall provide for county powers, an elected county sheriff, an elected district attorney, an elected assessor, and an elected governing body in each county. Except as provided in subdivision (b) of Section 4 of this article, each governing body shall prescribe by ordinance the compensation of its members, but the ordinance prescribing such compensation shall be subject to referendum. The Legislature or the governing body may provide for other officers whose compensation shall be prescribed by the governing body. The governing body shall provide for the number, compensation, tenure, and appointment of employees. [*As amended June 7, 1988.*]

---

* New Article XI adopted June 2, 1970.

SEC. 2. [*Repealed June 2, 1970. See Section 2, below.*]

[*Cities—Formation, Powers*]

SEC. 2. (a) The Legislature shall prescribe uniform procedure for city formation and provide for city powers.

(b) Except with approval by a majority of its electors voting on the question, a city may not be annexed to or consolidated into another. [*New section adopted June 2, 1970.*]

SEC. 3. [*Repealed June 2, 1970. See Section 3, below.*]

[*County or City—Charters*]

SEC. 3. (a) For its own government, a county or city may adopt a charter by majority vote of its electors voting on the question. The charter is effective when filed with the Secretary of State. A charter may be amended, revised, or repealed in the same manner. A charter, amendment, revision, or repeal thereof shall be published in the official state statutes. County charters adopted pursuant to this section shall supersede any existing charter and all laws inconsistent therewith. The provisions of a charter are the law of the State and have the force and effect of legislative enactments.

(b) The governing body or charter commission of a county or city may propose a charter or revision. Amendment or repeal may be proposed by initiative or by the governing body.

(c) An election to determine whether to draft or revise a charter and elect a charter commission may be required by initiative or by the governing body.

(d) If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail. [*As amended November 5, 1974.*]

SEC. 4. [*Repealed June 27, 1933. See Section 4, below.*]

[*County Charters—Provisions*]

SEC. 4. County charters shall provide for:

(a) A governing body of 5 or more members, elected (1) by district or, (2) at large, or (3) at large, with a requirement that they reside in a district. Charter counties are subject to statutes that relate to apportioning population of governing body districts.

(b) The compensation, terms, and removal of members of the governing body. If a county charter provides for the Legislature to prescribe the salary of the governing body, such compensation shall be prescribed by the governing body by ordinance.

(c) An elected sheriff, an elected district attorney, an elected assessor, other officers, their election or appointment, compensation, terms and removal.

(d) The performance of functions required by statute.

(e) The powers and duties of governing bodies and all other county officers, and for consolidation and segregation of county officers, and for the manner of filling all vacancies occurring therein.

(f) The fixing and regulation by governing bodies, by ordinance, of the appointment and number of assistants, deputies, clerks, attachés, and other persons to be employed, and for the prescribing and regulating by such bodies of the powers, duties, qualifications, and compensation of such persons, the times at which, and terms for which they shall be appointed, and the manner of their appointment and removal.

(g) Whenever any county has framed and adopted a charter, and the same shall have been approved by the Legislature as herein provided, the general laws adopted by the Legislature in pursuance of Section 1(b) of this article, shall, as to such county, be superseded by said charter as to matters for which, under this section it is competent to make provision in such charter, and for which provision is made therein, except as herein otherwise expressly provided.

(h) Charter counties shall have all the powers that are provided by this Constitution or by statute for counties. [*As amended June 7, 1988.*]

SEC. 5. [*Repealed June 2, 1970. See Section 5, below.*]

[*City Charters—Provisions*]

SEC. 5. (a) It shall be competent in any city charter to provide that the city governed thereunder may make and enforce all ordinances and regulations in respect to municipal affairs, subject only to restrictions and limitations provided in their several charters and in respect to other matters they shall be subject to general laws. City charters adopted pursuant to this Constitution shall supersede any existing charter, and with respect to municipal affairs shall supersede all laws inconsistent therewith.

(b) It shall be competent in all city charters to provide, in addition to those provisions allowable by this Constitution, and by the laws of the State for: (1) the constitution, regulation, and government of the city police force (2) subgovernment in all or part of a city (3) conduct of city elections and (4) plenary authority is hereby granted, subject only to the restrictions of this article, to provide therein or by amendment thereto, the manner in which, the method by which, the times at which, and the terms for which the several municipal officers and employees whose compensation is paid by the city shall be elected or appointed, and for their removal, and for their compensation, and for the number of deputies, clerks and other employees that each shall have, and for the compensation, method of appointment, qualifications, tenure of office and removal of such deputies, clerks and other employees. [*New section adopted June 2, 1970.*]

SEC. 5.1. [*Repealed June 2, 1970.*]

SEC. 6. [*Repealed June 2, 1970. See Section 6, below.*]

[*Charter City and County*]

SEC. 6. (a) A county and all cities within it may consolidate as a charter city and county as provided by statute.

(b) A charter city and county is a charter city and a charter county. Its charter city powers supersede conflicting charter county powers. [*New section adopted June 2, 1970.*]

SEC. 7. [*Repealed June 2, 1970. See Section 7, below.*]

[*Local Ordinances and Regulations*]

SEC. 7. A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. [*New section adopted June 2, 1970.*]

SEC. 7½. [*Repealed June 2, 1970.*]

SEC. 7½a. [*Repealed November 8, 1949.*]

SEC. 7½b. [*Repealed June 2, 1970.*]

SEC. 8. [*Repealed June 2, 1970. See Section 8, below.*]

[*Counties—Performance of Municipal Functions*]

SEC. 8. (a) The Legislature may provide that counties perform municipal functions at the request of cities within them.

(b) If provided by their respective charters, a county may agree with a city within it to assume and discharge specified municipal functions. [*New section adopted June 2, 1970.*]

SEC. 8a. [*Repealed November 8, 1949.*]

SEC. 8½. [*Repealed June 2, 1970.*]

SEC. 9. [*Repealed June 27, 1933. See Section 9, below.*]

[*Local Utilities*]

SEC. 9. (a) A municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication. It may furnish those services outside its boundaries, except within another municipal corporation which furnishes the same service and does not consent.

(b) Persons or corporations may establish and operate works for supplying those services upon conditions and under regulations that the city may prescribe under its organic law. [*New section adopted June 2, 1970.*]

SEC. 10. [*Repealed June 2, 1970. See Section 10, below.*]

[*Local Government—Extra Compensation; City, County or District Employees—Residency*]

SEC. 10. (a) A local government body may not grant extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or pay a claim under an agreement made without authority of law.

(b) A city or county, including any chartered city or chartered county, or public district, may not require that its employees be

residents of such city, county, or district; except that such employees may be required to reside within a reasonable and specific distance of their place of employment or other designated location. [*As amended June 8, 1976.*]

SEC. 10.5. [*Repealed June 8, 1976.*]

SEC. 11. [*Repealed June 2, 1970. See Section 11, below.*]

[*Private Control of County or Municipal Functions—Deposit and Investment of Public Moneys*]

SEC. 11. (a) The Legislature may not delegate to a private person or body power to make, control, appropriate, supervise, or interfere with county or municipal corporation improvements, money, or property, or to levy taxes or assessments, or perform municipal functions.

(b) The Legislature may, however, provide for the deposit of public moneys in any bank in this State or in any savings and loan association in this State or any credit union in this State or in any federally insured industrial loan company in this State and for payment of interest, principal, and redemption premiums of public bonds and other evidence of public indebtedness by banks within or without this State. It may also provide for investment of public moneys in securities and the registration of bonds and other evidences of indebtedness by private persons or bodies, within or without this State, acting as trustees or fiscal agents. [*As amended November 8, 1988.*]

SEC. 12. [*As amended June 27, 1933, added to Article XIII as Section 37, June 2, 1970. See Section 12, below.*]

[*Claims Against Counties or Cities, Etc.*]

SEC. 12. The Legislature may prescribe procedure for presentation, consideration, and enforcement of claims against counties, cities, their officers, agents, or employees. [*New section adopted June 2, 1970.*]

SEC. 13. [*Repealed June 2, 1970. See Section 13, below.*]

[*Distribution of Powers—Construction of Article*]

SEC. 13. The provisions of Sections 1(b) (except for the second sentence), 3(a), 4, and 5 of this Article relating to matters affecting the distribution of powers between the Legislature and cities and counties, including matters affecting supersession, shall be construed as a restatement of all related provisions of the Constitution in effect immediately prior to the effective date of this amendment, and as making no substantive change.

The terms general law, general laws, and laws, as used in this Article, shall be construed as a continuation and restatement of those terms as used in the Constitution in effect immediately prior to the effective date of this amendment, and not as effecting a change in meaning. [*New section adopted June 2, 1970.*]

SEC. 13½. [*As amended November 3, 1914, added to Article XIII as Section 37.5, June 2, 1970.*]

SEC. 14. [*Repealed June 2, 1970. See Section 14, below.*]

[*Local Government—Taxation*]

SEC. 14. A local government formed after the effective date of this section, the boundaries of which include all or part of two or more counties, shall not levy a property tax unless such tax has been approved by a majority vote of the qualified voters of that local government voting on the issue of the tax. [*New section adopted November 2, 1976.*]

SEC. 15. [*Repealed June 2, 1970. See Section 15, below.*]

[*Vehicle License Fee Allocations*]

SEC. 15. (a) All revenues from taxes imposed pursuant to the Vehicle License Fee Law, or its successor, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, shall be allocated to counties and cities according to statute.

(b) This section shall apply to those taxes imposed pursuant to that law on and after July 1 following the approval of this section by the voters. [*New section adopted June 3, 1986.*]

SEC. 16. [*Added to Article XIII as Section 38, June 2, 1970.*]

SEC. 16½. [*As amended November 8, 1932, added to Article XIII as Section 39, June 2, 1970.*]

SEC. 17. [*Repealed June 2, 1970.*]

SEC. 18. [*As amended November 8, 1949, added to Article XIII as Section 40, June 2, 1970.*]

SEC. 18¼. [*Repealed June 2, 1970.*]

SEC. 18½. [*Repealed November 8, 1949.*]

SEC. 19. [*Repealed June 2, 1970.*]

SEC. 20. [*Repealed June 2, 1970.*]

ARTICLE XII. [*Repealed November 5, 1974. See Article XII, below.*]

ARTICLE XII *

PUBLIC UTILITIES

SECTION 1. [*Repealed June 6, 1972. See Section 1, below.*]

* New Article XII adopted November 5, 1974.

[*Public Utilities Commission—Composition*]

SECTION 1. The Public Utilities Commission consists of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for staggered 6-year terms. A vacancy is filled for the remainder of the term. The Legislature may remove a member for incompetence, neglect of duty, or corruption, two thirds of the membership of each house concurring. [*New section adopted November 5, 1974.*]

SEC. 2. [*Repealed November 4, 1930. See Section 2, below.*]

[*Public Utilities Commission—Powers and Duties*]

SEC. 2. Subject to statute and due process, the commission may establish its own procedures. Any commissioner as designated by the commission may hold a hearing or investigation or issue an order subject to commission approval. [*New section adopted November 5, 1974.*]

SEC. 3. [*Repealed November 4, 1930. See Section 3, below.*]

[*Public Utilities—Legislative Control*]

SEC. 3. Private corporations and persons that own, operate, control, or manage a line, plant, or system for the transportation of people or property, the transmission of telephone and telegraph messages, or the production, generation, transmission, or furnishing of heat, light, water, power, storage, or wharfage directly or indirectly to or for the public, and common carriers, are public utilities subject to control by the Legislature. The Legislature may prescribe that additional classes of private corporations or other persons are public utilities. [*New section adopted November 5, 1974.*]

SEC. 4. [*Repealed June 6, 1972. See Section 4, below.*]

[*Rates—Discrimination in Transportation Charges, Etc.*]

SEC. 4. The commission may fix rates and establish rules for the transportation of passengers and property by transportation companies, prohibit discrimination, and award reparation for the exaction of unreasonable, excessive, or discriminatory charges. A transportation company may not raise a rate or incidental charge except after a showing to and a decision by the commission that the increase is justified, and this decision shall not be subject to judicial review except as to whether confiscation of property will result. [*New section adopted November 5, 1974.*]

SEC. 5. [*Repealed June 6, 1972. See Section 5, below.*]

[*Public Utilities Commission—Compensation in Eminent Domain Proceedings*]

SEC. 5. The Legislature has plenary power, unlimited by the other provisions of this constitution but consistent with this article, to confer additional authority and jurisdiction upon the commission, to establish the manner and scope of review of commission action in a court of

record, and to enable it to fix just compensation for utility property taken by eminent domain. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed June 6, 1972. See Section 6, below.*]

[*Public Utilities Commission—Powers and Duties*]

SEC. 6. The commission may fix rates, establish rules, examine records, issue subpenas, administer oaths, take testimony, punish for contempt, and prescribe a uniform system of accounts for all public utilities subject to its jurisdiction. [*New section adopted November 5, 1974.*]

SEC. 7. [*Repealed June 6, 1972. See Section 7, below.*]

[*Free Passes, Public Officials—Conflict of Interest, Public Utilities Commissioner*]

SEC. 7. A transportation company may not grant free passes or discounts to anyone holding an office in this State; and the acceptance of a pass or discount by a public officer, other than a Public Utilities Commissioner, shall work a forfeiture of that office. A Public Utilities Commissioner may not hold an official relation to nor have a financial interest in a person or corporation subject to regulation by the commission. [*New section adopted November 5, 1974.*]

SEC. 8. [*Repealed June 6, 1972. See Section 8, below.*]

[*Public Utilities—Regulation*]

SEC. 8. A city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the Commission. This section does not affect power over public utilities relating to the making and enforcement of police, sanitary, and other regulations concerning municipal affairs pursuant to a city charter existing on October 10, 1911, unless that power has been revoked by the city's electors, or the right of any city to grant franchises for public utilities or other businesses on terms, conditions, and in the manner prescribed by law. [*New section adopted November 5, 1974.*]

SEC. 9. [*Repealed November 4, 1930. See Section 9, below.*]

[*Restatement*]

SEC. 9. The provisions of this article restate all related provisions of the Constitution in effect immediately prior to the effective date of this amendment and make no substantive change. [*New section adopted November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 4, 1930.*]

SEC. 12. [*Repealed November 4, 1930.*]

SEC. 13. [*Repealed June 6, 1972.*]

SEC. 14. [*Repealed November 4, 1930.*]

SEC. 15. [*Repealed June 6, 1972.*]

SEC. 16. [*Repealed June 6, 1972.*]
SEC. 17. [*Repealed November 5, 1974.*]
SEC. 18. [*Repealed November 5, 1974.*]
SEC. 19. [*Repealed November 5, 1974.*]
SEC. 20. [*Repealed November 5, 1974.*]
SEC. 21. [*Repealed November 5, 1974.*]
SEC. 22. [*Repealed November 5, 1974.*]
SEC. 23. [*Repealed November 5, 1974.*]
SEC. 23a. [*Repealed November 5, 1974.*]
SEC. 24. [*Repealed June 6, 1972.*]

ARTICLE XIII. [*Repealed November 5, 1974. See Article XIII, below.*]

ARTICLE XIII *

TAXATION

SECTION 1. [*Repealed November 5, 1974. See Section 1, below.*]

[*Uniformity Clause*]

SEC. 1. Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and shall be assessed at the same percentage of fair market value. When a value standard other than fair market value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

(b) All property so assessed shall be taxed in proportion to its full value. [*New section adopted November 5, 1974.*]

SEC. 1a. [*Repealed November 5, 1974.*]
SEC. 1b. [*Repealed November 5, 1974.*]
SEC. 1c. [*Repealed November 5, 1974.*]
SEC. 1d. [*Repealed November 5, 1974.*]
SEC. 1¼. [*Repealed November 5, 1974.*]
SEC. 1¼a. [*Repealed November 5, 1974.*]
SEC. 1¼b. [*Repealed November 5, 1974.*]
SEC. 1½. [*Repealed November 5, 1974.*]
SEC. 1½a. [*Repealed November 5, 1974.*]
SEC. 1.6. [*Repealed November 8, 1949.*]

* New Article XIII adopted November 5, 1974.

SEC. 1.60. [*Repealed November 5, 1974.*]

SEC. 1.61. [*Repealed November 5, 1974.*]

SEC. 1.62. [*Repealed November 5, 1974.*]

SEC. 1.63. [*Repealed November 5, 1974.*]

SEC. 1.64. [*Repealed November 5, 1974.*]

SEC. 1.65. [*Repealed November 5, 1974.*]

SEC. 1.66. [*Repealed November 5, 1974.*]

SEC. 1.67. [*Repealed November 5, 1974.*]

SEC. 1.68. [*Repealed November 5, 1974.*]

SEC. 1.69. [*Repealed November 5, 1974.*]

SEC. 1¾. [*Repealed November 5, 1974.*]

SEC. 2. [*Repealed November 5, 1974. See Section 2, below.*]

[*Personal Property Classification*]

SEC. 2. The Legislature may provide for property taxation of all forms of tangible personal property, shares of capital stock, evidences of indebtedness, and any legal or equitable interest therein not exempt under any other provision of this article. The Legislature, two-thirds of the membership of each house concurring, may classify such personal property for differential taxation or for exemption. The tax on any interest in notes, debentures, shares of capital stock, bonds, solvent credits, deeds of trust, or mortgages shall not exceed four-tenths of one percent of full value, and the tax per dollar of full value shall not be higher on personal property than on real property in the same taxing jurisdiction. [*New section adopted November 5, 1974.*]

SEC. 2.5. [*Repealed November 5, 1974.*]

SEC. 2.6. [*Repealed November 5, 1974.*]

SEC. 2.8. [*Repealed November 5, 1974.*]

SEC. 3. [*Repealed November 5, 1974. See Section 3, below.*]

[*Property Tax Exemptions*]

SEC. 3. The following are exempt from property taxation:

[*State Owned Property*]

(a) Property owned by the State.

[*Local Government Property*]

(b) Property owned by a local government, except as otherwise provided in Section 11(a).

[*Government Bonds*]

(c) Bonds issued by the State or a local government in the State.

[*Public Property*]

(d) Property used for libraries and museums that are free and open to the public and property used exclusively for public schools, community colleges, state colleges, and state universities.

[*Educational Property*]

(e) Buildings, land, equipment, and securities used exclusively for educational purposes by a nonprofit institution of higher education.

[*Church Property*]

(f) Buildings, land on which they are situated, and equipment used exclusively for religious worship.

[*Cemetery Property*]

(g) Property used or held exclusively for the permanent deposit of human dead or for the care and maintenance of the property or the dead, except when used or held for profit. This property is also exempt from special assessment.

[*Growing Crops*]

(h) Growing crops.

[*Fruit and Nut Trees*]

(i) Fruit and nut trees until 4 years after the season in which they were planted in orchard form and grape vines until 3 years after the season in which they were planted in vineyard form.

[*Timber Exemption*]

(j) Immature forest trees planted on lands not previously bearing merchantable timber or planted or of natural growth on lands from which the merchantable original growth timber stand to the extent of 70 percent of all trees over 16 inches in diameter has been removed. Forest trees or timber shall be considered mature at such time after 40 years from the time of planting or removal of the original timber when so declared by a majority vote of a board consisting of a representative from the State Board of Forestry, a representative from the State Board of Equalization, and the assessor of the county in which the trees are located.

The Legislature may supersede the foregoing provisions with an alternative system or systems of taxing or exempting forest trees or timber, including a taxation system not based on property valuation. Any alternative system or systems shall provide for exemption of unharvested immature trees, shall encourage the continued use of timberlands for the production of trees for timber products, and shall provide for restricting the use of timberland to the production of timber products and compatible uses with provisions for taxation of timberland

based on the restrictions. Nothing in this paragraph shall be construed to exclude timberland from the provisions of Section 8 of this article.

[*Homeowners' Exemption*]

(k) $7,000 of the full value of a dwelling, as defined by the Legislature, when occupied by an owner as his principal residence, unless the dwelling is receiving another real property exemption. The Legislature may increase this exemption and may deny it if the owner received state or local aid to pay taxes either in whole or in part, and either directly or indirectly, on the dwelling.

No increase in this exemption above the amount of $7,000 shall be effective for any fiscal year unless the Legislature increases the rate of state taxes in an amount sufficient to provide the subventions required by Section 25.

If the Legislature increases the homeowners' property tax exemption, it shall provide increases in benefits to qualified renters, as defined by law, comparable to the average increase in benefits to homeowners, as calculated by the Legislature.

[*Vessels*]

(*l*) Vessels of more than 50 tons burden in this State and engaged in the transportation of freight or passengers.

[*Household Furnishings—Personal Effects*]

(m) Household furnishings and personal effects not held or used in connection with a trade, profession, or business.

[*Debt Secured by Land*]

(n) Any debt secured by land.

[*Veterans' Exemptions*]

(o) Property in the amount of $1,000 of a claimant who—

(1) is serving in or has served in and has been discharged under honorable conditions from service in the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or Revenue Marine (Revenue Cutter) Service; and—

(2) served either

(i) in time of war, or

(ii) in time of peace in a campaign or expedition for which a medal has been issued by Congress, or

(iii) in time of peace and because of a service-connected disability was released from active duty; and—

(3) resides in the State on the current lien date.

An unmarried person who owns property valued at $5,000 or more, or a married person, who, together with the spouse, owns property valued at $10,000 or more, is ineligible for this exemption.

If the claimant is married and does not own property eligible for the full amount of the exemption, property of the spouse shall be eligible for the unused balance of the exemption.

[*Veterans' Exemptions*]

(p) Property in the amount of $1,000 of a claimant who—

(1) is the unmarried spouse of a deceased veteran who met the service requirement stated in paragraphs (1) and (2) of subsection 3(o), and

(2) does not own property in excess of $10,000, and

(3) is a resident of the State on the current lien date.

[*Veterans' Exemptions*]

(q) Property in the amount of $1,000 of a claimant who—

(1) is the parent of a deceased veteran who met the service requirement stated in paragraphs (1) and (2) of subsection 3(o), and

(2) receives a pension because of the veteran's service, and

(3) is a resident of the State on the current lien date.

Either parent of a deceased veteran may claim this exemption.

An unmarried person who owns property valued at $5,000 or more, or a married person, who, together with the spouse, owns property valued at $10,000 or more, is ineligible for this exemption.

[*Veterans' Exemptions*]

(r) No individual residing in the State on the effective date of this amendment who would have been eligible for the exemption provided by the previous section 1¼ of this article had it not been repealed shall lose eligibility for the exemption as a result of this amendment. [*As amended November 8, 1988.*]

[*Veterans' Exemptions—Change in Assessment Ratio—Adjustment*]

SEC. 3.5. In any year in which the assessment ratio is changed, the Legislature shall adjust the valuation of assessable property described in subdivisions (o), (p) and (q) of Section 3 of this article to maintain the same proportionate values of such property. [*New section adopted November 6, 1979.*]

SEC. 4. [*Repealed November 5, 1974. See Section 4, below.*]

[*Property Tax Exemption*]

SEC. 4. The Legislature may exempt from property taxation in whole or in part:

[*Home of Veteran or Surviving Spouse*]

(a) The home of a person or a person's spouse, including an unmarried surviving spouse, if the person, because of injury incurred in military service, is blind in both eyes, has lost the use of 2 or more limbs,

or is totally disabled, or if the person has, as a result of a service-connected injury or disease, died while on active duty in military service, unless the home is receiving another real property exemption.

[*Religious, Hospital and Charitable Property*]

(b) Property used exclusively for religious, hospital, or charitable purposes and owned or held in trust by corporations or other entities (1) that are organized and operating for those purposes, (2) that are nonprofit, and (3) no part of whose net earnings inures to the benefit of any private shareholder or individual.

[*Specific College Exemptions*]

(c) Property owned by the California School of Mechanical Arts, California Academy of Sciences, or Cogswell Polytechnical College, or held in trust for the Huntington Library and Art Gallery, or their successors.

[*Church Parking Lots*]

(d) Real property not used for commercial purposes that is reasonably and necessarily required for parking vehicles of persons worshipping on land exempt by Section 3(f). [*As amended November 3, 1992.*]

SEC. 5. [*Repealed November 6, 1906. See Section 5, below.*]

[*Exemption of Buildings Under Construction*]

SEC. 5. Exemptions granted or authorized by Sections 3(e), 3(f), and 4(b) apply to buildings under construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed November 5, 1974. See Section 6, below.*]

[*Exemption Waivers*]

SEC. 6. The failure in any year to claim, in a manner required by the laws in effect at the time the claim is required to be made, an exemption or classification which reduces a property tax shall be deemed a waiver of the exemption or classification for that year. [*New section adopted November 5, 1974.*]

SEC. 7. [*Repealed November 5, 1974. See Section 7, below.*]

[*Real Property Taxes—Exemption by County Boards of Supervisors*]

SEC. 7. The Legislature, two-thirds of the membership of each house concurring, may authorize county boards of supervisors to exempt real property having a full value so low that, if not exempt, the total taxes and applicable subventions on the property would amount to less than the cost of assessing and collecting them. [*New section adopted November 5, 1974.*]

SEC. 8. [*Repealed November 8, 1966. See Section 8, below.*]

[*Open Space Land and Historical Property—Exemption*]

SEC. 8. To promote the conservation, preservation and continued existence of open space lands, the Legislature may define open space land and shall provide that when this land is enforceably restricted, in a manner specified by the Legislature, to recreation, enjoyment of scenic beauty, use or conservation of natural resources, or production of food or fiber, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses.

To promote the preservation of property of historical significance, the Legislature may define such property and shall provide that when it is enforceably restricted, in a manner specified by the Legislature, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses. [*As amended June 8, 1976.*]

SEC. 8a. [*Repealed November 8, 1949.*]

[*Postponement of Property Taxes*]

SEC. 8.5. The Legislature may provide by law for the manner in which a person of low or moderate income who is 62 years of age or older may postpone ad valorem property taxes on the dwelling owned and occupied by him or her as his or her principal place of residence. The Legislature may also provide by law for the manner in which a disabled person may postpone payment of ad valorem property taxes on the dwelling owned and occupied by him or her as his or her principal place of residence. The Legislature shall have plenary power to define all terms in this section.

The Legislature shall provide by law for subventions to counties, cities and counties, cities and districts in an amount equal to the amount of revenue lost by each by reason of the postponement of taxes and for the reimbursement to the State of subventions from the payment of postponed taxes. Provision shall be made for the inclusion of reimbursement for the payment of interest on, and any costs to the State incurred in connection with, the subventions. [*As amended November 6, 1984.*]

SEC. 9. [*Repealed November 5, 1974. See Section 9, below.*]

[*Valuation of Certain Homes*]

SEC. 9. The Legislature may provide for the assessment for taxation only on the basis of use of a single-family dwelling, as defined by the Legislature, and so much of the land as is required for its convenient use and occupation, when the dwelling is occupied by an owner and located on land zoned exclusively for single-family dwellings or for agricultural purposes. [*New section adopted November 5, 1974.*]

SEC. 9a. [*Repealed November 5, 1974.*]

SEC. 9.5. [*Repealed November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974. See Section 10, below.*]

[*Golf Course Values*]

SEC. 10. Real property in a parcel of 10 or more acres which, on the lien date and for 2 or more years immediately preceding, has been used exclusively for nonprofit golf course purposes shall be assessed for taxation on the basis of such use, plus any value attributable to mines, quarries, hydrocarbon substances, or other minerals in the property or the right to extract hydrocarbons or other minerals from the property. [*New section adopted November 5, 1974.*]

SEC. 10½. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974. See Section 11, below.*]

[*Taxation of Local Government Real Property*]

SEC. 11. (a) Lands owned by a local government that are outside its boundaries, including rights to use or divert water from surface or underground sources and any other interests in lands, are taxable if (1) they are located in Inyo or Mono County and (a) they were assessed for taxation to the local government in Inyo County as of the 1966 lien date, or in Mono County as of the 1967 lien date, whether or not the assessment was valid when made, or (b) they were acquired by the local government subsequent to that lien date and were assessed to a prior owner as of that lien date and each lien date thereafter, or (2) they are located outside Inyo or Mono County and were taxable when acquired by the local government. Improvements owned by a local government that are outside its boundaries are taxable if they were taxable when acquired or were constructed by the local government to replace improvements which were taxable when acquired.

(b) Taxable land belonging to a local government and located in Inyo County shall be assessed in any year subsequent to 1968 at the place where it was assessed as of the 1966 lien date and in an amount derived by multiplying its 1966 assessed value by the ratio of the statewide per capita assessed value of land as of the last lien date prior to the current lien date to $766, using civilian population only. Taxable land belonging to a local government and located in Mono County shall be assessed in any year subsequent to 1968 at the place where it was assessed as of the 1967 lien date and in an amount determined by the preceding formula except that the 1967 lien date, the 1967 assessed value, and the figure $856 shall be used in the formula. Taxable land belonging to a local government and located outside of Inyo and Mono counties shall be assessed at the place where located and in an amount that does not exceed the lower of (1) its fair market value times the prevailing percentage of fair market value at which other lands are assessed and (2) a figure derived in the manner specified in this Section for land located in Mono County.

If land acquired by a local government after the lien date of the base year specified in this Section was assessed in the base year as part of a larger parcel, the assessed value of the part in the base year shall be that fraction of the assessed value of the larger parcel that the area of the part is of the area of the larger parcel.

If a local government divests itself of ownership of land without water rights and this land was assessed in Inyo County as of the 1966 lien date or in Mono County as of the 1967 lien date, the divestment shall not diminish the quantity of water rights assessable and taxable at the place where assessed as of that lien date.

(c) In the event the Legislature changes the prevailing percentage of fair market value at which land is assessed for taxation, there shall be used in the computations required by Section 11(b) of this Article, for the first year for which the new percentage is applicable, in lieu of the statewide per capita assessed value of land as of the last lien date prior to the current lien date, the statewide per capita assessed value of land on the prior lien date times the ratio of the new prevailing percentage of fair market value to the previous prevailing percentage.

(d) If, after March 1954, a taxable improvement is replaced while owned by and in possession of a local government, the replacement improvement shall be assessed, as long as it is owned by a local government, as other improvements are except that the assessed value shall not exceed the product of (1) the percentage at which privately owned improvements are assessed times (2) the highest full value ever used for taxation of the improvement that has been replaced. For purposes of this calculation, the full value for any year prior to 1967 shall be conclusively presumed to be 4 times the assessed value in that year.

(e) No tax, charge, assessment, or levy of any character, other than those taxes authorized by Sections 11(a) to 11(d), inclusive, of this Article, shall be imposed upon one local government by another local government that is based or calculated upon the consumption or use of water outside the boundaries of the government imposing it.

(f) Any taxable interest of any character, other than a lease for agricultural purposes and an interest of a local government, in any land owned by a local government that is subject to taxation pursuant to Section 11(a) of this Article shall be taxed in the same manner as other taxable interests. The aggregate value of all the interests subject to taxation pursuant to Section 11(a), however, shall not exceed the value of all interests in the land less the taxable value of the interest of any local government ascertained as provided in Sections 11(a) to 11(e), inclusive, of this Article.

(g) Any assessment made pursuant to Sections 11(a) to 11(d), inclusive, of this Article shall be subject to review, equalization, and adjustment by the State Board of Equalization, but an adjustment shall conform to the provisions of these Sections. [*New section adopted November 5, 1974.*]

SEC. 12. [*Repealed November 5, 1974. See Section 12, below.*]

[*Unsecured Property Tax Rate*]

SEC. 12. (a) Except as provided in subdivision (b), taxes on personal property, possessory interests in land, and taxable improvements located on land exempt from taxation which are not a lien upon land sufficient in value to secure their payment shall be levied at the rates for the preceding tax year upon property of the same kind where the taxes were a lien upon land sufficient in value to secure their payment.

(b) In any year in which the assessment ratio is changed, the Legislature shall adjust the rate described in subdivision (a) to maintain equality between property on the secured and unsecured rolls. [*As amended November 2, 1976.*]

SEC. 12½. [*Repealed June 27, 1933.*]

SEC. 12¾. [*Repealed November 5, 1974.*]

SEC. 13. [*Repealed November 5, 1974. See Section 13, below.*]

[*Separate Land and Improvements Assessment*]

SEC. 13. Land and improvements shall be separately assessed. [*New section adopted November 5, 1974.*]

SEC. 14. [*Repealed November 5, 1974. See Section 14, below.*]

[*Tax Situs*]

SEC. 14. All property taxed by local government shall be assessed in the county, city, and district in which it is situated. [*New section adopted November 5, 1974.*]

SEC. 14½. [*Repealed November 8, 1949.*]

SEC. 14¾. [*Repealed November 8, 1949.*]

SEC. 14⅘. [*Repealed November 5, 1974.*]

SEC. 15. [*Repealed November 5, 1974. See Section 15, below.*]

[*Disaster Relief*]

SEC. 15. The Legislature may authorize local government to provide for the assessment or reassessment of taxable property physically damaged or destroyed after the lien date to which the assessment or reassessment relates. [*New section adopted November 5, 1974.*]

SEC. 15½. [*Repealed November 8, 1949.*]

SEC. 16. [*Repealed November 5, 1974. See Section 16, below.*]

[*County Board of Equalization—Assessment Appeals Board*]

SEC. 16. The county board of supervisors, or one or more assessment appeals boards created by the county board of supervisors, shall constitute the county board of equalization for a county. Two or more county boards of supervisors may jointly create one or more assessment appeals boards which shall constitute the county board of equalization for each of the participating counties.

Except as provided in subdivision (g) of Section 11, the county board of equalization, under such rules of notice as the county board may prescribe, shall equalize the values of all property on the local assessment roll by adjusting individual assessments.

County boards of supervisors shall fix the compensation for members of assessment appeals boards, furnish clerical and other assistance for those boards, adopt rules of notice and procedures for those boards as may be required to facilitate their work and to insure uniformity in the processing and decision of equalization petitions, and may provide for their discontinuance.

The Legislature shall provide for: (a) the number and qualifications of members of assessment appeals boards, the manner of selecting, appointing, and removing them, and the terms for which they serve, and (b) the procedure by which two or more county boards of supervisors may jointly create one or more assessment appeals boards. [*New section adopted November 5, 1974.*]

SEC. 16½. [*Repealed November 8, 1949.*]

SEC. 17. [*Repealed November 5, 1974. See Section 17, below.*]

[*Board of Equalization*]

SEC. 17. The Board of Equalization consists of 5 voting members: the Controller and 4 members elected for 4-year terms at gubernatorial elections. The State shall be divided into four Board of Equalization districts with the voters of each district electing one member. No member may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

SEC. 18. [*Repealed November 5, 1974. See Section 18, below.*]

[*Intercounty Equalization*]

SEC. 18. The Board shall measure county assessment levels annually and shall bring those levels into conformity by adjusting entire secured local assessment rolls. In the event a property tax is levied by the State, however, the effects of unequalized local assessment levels, to the extent any remain after such adjustments, shall be corrected for purposes of distributing this tax by equalizing the assessment levels of locally and state-assessed properties and varying the rate of the state tax inversely with the counties' respective assessment levels. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974. See Section 19, below.*]

[*State Assessment*]

SEC. 19. The Board shall annually assess (1) pipelines, flumes, canals, ditches, and aqueducts lying within 2 or more counties and (2) property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in

the State, and companies transmitting or selling gas or electricity. This property shall be subject to taxation to the same extent and in the same manner as other property.

No other tax or license charge may be imposed on these companies which differs from that imposed on mercantile, manufacturing, and other business corporations. This restriction does not release a utility company from payments agreed on or required by law for a special privilege or franchise granted by a government body.

The Legislature may authorize Board assessment of property owned or used by other public utilities.

The Board may delegate to a local assessor the duty to assess a property used but not owned by a state assessee on which the taxes are to be paid by a local assessee. [*New section adopted November 5, 1974.*]

SEC. 20. [*Repealed November 5, 1974. See Section 20, below.*]

[*Maximum Tax Rates—Bonding Limits*]

SEC. 20. The Legislature may provide maximum property tax rates and bonding limits for local governments. [*New section adopted November 5, 1974.*]

SEC. 21. [*Repealed November 5, 1974. See Section 21, below.*]

[*School District Tax*]

SEC. 21. Within such limits as may be provided under Section 20 of this Article, the Legislature shall provide for an annual levy by county governing bodies of school district taxes sufficient to produce annual revenues for each district that the district's board determines are required for its schools and district functions. [*New section adopted November 5, 1974.*]

SEC. 21.5. [*Repealed November 5, 1974.*]

SEC. 22. [*Repealed November 5, 1974. See Section 22, below.*]

[*State Property Tax Limitations*]

SEC. 22. Not more than 25 percent of the total appropriations from all funds of the State shall be raised by means of taxes on real and personal property according to the value thereof. [*New section adopted November 5, 1974.*]

SEC. 23. [*Repealed November 5, 1974. See Section 23, below.*]

[*State Boundary Change*]

SEC. 23. If state boundaries change, the Legislature shall determine how property affected shall be taxed. [*New section adopted November 5, 1974.*]

SEC. 24. [*Repealed November 5, 1974. See Section 24, below.*]

[*State Taxes for Local Purposes*]

SEC. 24. The Legislature may not impose taxes for local purposes but may authorize local governments to impose them.

[*State Funds for Local Purposes*]

Money appropriated from state funds to a local government for its local purposes may be used as provided by law.

[*Subventions*]

Money subvened to a local government under Section 25 may be used for state or local purposes. [*New section adopted November 5, 1974.*]

SEC. 25. [*Repealed November 5, 1974. See Section 25, below.*]

[*Homeowners' Exemption, Reimbursement of Local Government*]

SEC. 25. The Legislature shall provide, in the same fiscal year, reimbursements to each local government for revenue lost because of Section 3(k). [*New section adopted November 5, 1974.*]

SEC. 25.5. [*Repealed November 5, 1974.*]

SEC. 26. [*Repealed November 5, 1974. See Section 26, below.*]

[*Income Tax*]

SEC. 26. (a) Taxes on or measured by income may be imposed on persons, corporations, or other entities as prescribed by law.

(b) Interest on bonds issued by the State or a local government in the State is exempt from taxes on income.

(c) Income of a nonprofit educational institution of collegiate grade within the State of California is exempt from taxes on or measured by income if: (1) it is not unrelated business income as defined by the Legislature, and (2) it is used exclusively for educational purposes. [*New section adopted November 5, 1974.*]

SEC. 27. [*Repealed November 5, 1974. See Section 27, below.*]

[*Bank and Corporation Taxes*]

SEC. 27. The Legislature, a majority of the membership of each house concurring, may tax corporations, including state and national banks, and their franchises by any method not prohibited by this Constitution or the Constitution or laws of the United States. Unless otherwise provided by the Legislature, the tax on state and national banks shall be according to or measured by their net income and shall be in lieu of all other taxes and license fees upon banks or their shares, except taxes upon real property and vehicle registration and license fees. [*As amended June 8, 1976.*]

SEC. 28. [*Repealed November 5, 1974. See Section 28, below.*]

[*Taxation of Insurance Companies*]

SEC. 28. (a) "Insurer," as used in this section, includes insurance companies or associations and reciprocal or interinsurance exchanges together with their corporate or other attorneys in fact considered as a single unit, and the State Compensation Insurance Fund. As used in this paragraph, "companies" includes persons, partnerships, joint stock associations, companies and corporations.

(b) An annual tax is hereby imposed on each insurer doing business in this State on the base, at the rates, and subject to the deductions from the tax hereinafter specified.

(c) In the case of an insurer not transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, the amount of gross premiums, less return premiums, received in such year by such insurer upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance.

In the case of an insurer transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, all income upon business done in this State, except:

(1) Interest and dividends.

(2) Rents from real property.

(3) Profits from the sale or other disposition of investments.

(4) Income from investments.

"Investments" as used in this subdivision includes property acquired by such insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the annual tax.

In the case of an insurer transacting title insurance in this State which has a trust department and does a trust business under the banking laws of this State, there shall be excluded from the basis of the annual tax imposed by this section, the income of, and from the assets of, such trust department and such trust business, if such income is taxed by this State or included in the measure of any tax imposed by this State.

(d) The rate of the tax to be applied to the basis of the annual tax in respect to each year is 2.35 percent.

(f) The tax imposed on insurers by this section is in lieu of all other taxes and licenses, state, county, and municipal, upon such insurers and their property, except:

(1) Taxes upon their real estate.

(2) That an insurer transacting title insurance in this State which has a trust department or does a trust business under the banking laws of this State is subject to taxation with respect to such trust department or trust business to the same extent and in the same manner as trust companies and the trust departments of banks doing business in this State.

(3) When by or pursuant to the laws of any other state or foreign country any taxes, licenses and other fees, in the aggregate, and any

fines, penalties, deposit requirements or other material obligations, prohibitions or restrictions are or would be imposed upon California insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this State; so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements or other material obligations, prohibitions, or restrictions, of whatever kind shall be imposed upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in California. Any tax, license or other fee or other obligation imposed by any city, county, or other political subdivision or agency of such other state or country on California insurers or their agents or representatives shall be deemed to be imposed by such state or country within the meaning of this paragraph (3) of subdivision (f).

The provisions of this paragraph (3) of subdivision (f) shall not apply as to personal income taxes, nor as to ad valorem taxes on real or personal property nor as to special purpose obligations or assessments heretofore imposed by another state or foreign country in connection with particular kinds of insurance, other than property insurance; except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real estate or personal property taxes paid shall be taken into consideration in determining the propriety and extent of retaliatory action under this paragraph (3) of subdivision (f).

For the purposes of this paragraph (3) of subdivision (f) the domicile of an alien insurer, other than insurers formed under the laws of Canada, shall be that state in which is located its principal place of business in the United States.

In the case of an insurer formed under the laws of Canada or a province thereof, its domicile shall be deemed to be that province in which its head office is situated.

The provisions of this paragraph (3) of subdivision (f) shall also be applicable to reciprocals or interinsurance exchanges and fraternal benefit societies.

(4) The tax on ocean marine insurance.

(5) Motor vehicle and other vehicle registration license fees and any other tax or license fee imposed by the State upon vehicles, motor vehicles or the operation thereof.

(6) That each corporate or other attorney in fact of a reciprocal or interinsurance exchange shall be subject to all taxes imposed upon corporations or others doing business in the State, other than taxes on income derived from its principal business as attorney in fact.

A corporate or other attorney in fact of each exchange shall annually compute the amount of tax that would be payable by it under prevailing law except for the provisions of this section, and any management fee due from each exchange to its corporate or other attorney in fact shall be reduced pro tanto by a sum equivalent to the amount so computed.

(g) Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of the insurer from such insurance written within the United States, at the rate of 5 per centum, which tax shall be in lieu of all other taxes and licenses, state, county and municipal, upon such insurer, except taxes upon real estate, and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. The Legislature shall define the terms "ocean marine insurance" and "underwriting profit," and shall provide for the assessment, levy, collection and enforcement of the ocean marine tax.

(h) The taxes provided for by this section shall be assessed by the State Board of Equalization.

(i) The Legislature, a majority of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurers.

(j) This section is not intended to and does not change the law as it has previously existed with respect to the meaning of the words "gross premiums, less return premiums, received" as used in this article. [*As amended June 8, 1976.*]

SEC. 29. [*Repealed November 5, 1974. See Section 29, below.*]

[*Local Government Tax Sharing*]

SEC. 29. The Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them which is collected for them by the State. Before any such contract becomes operative, it shall be authorized by a majority of those voting on the question in each jurisdiction at a general or direct primary election. [*New section adopted November 5, 1974.*]

[*Tax Liens—Presumption of Payment of Taxes*]

SEC. 30. Every tax shall be conclusively presumed to have been paid after 30 years from the time it became a lien unless the property subject to the lien has been sold in the manner provided by the Legislature for the payment of the tax. [*New section adopted November 5, 1974.*]

[*Power to Tax*]

SEC. 31. The power to tax may not be surrendered or suspended by grant or contract. [*New section adopted November 5, 1974.*]

[*Proceedings Relating to Collection*]

SEC. 32. No legal or equitable process shall issue in any proceeding in any court against this State or any officer thereof to prevent or enjoin the collection of any tax. After payment of a tax claimed to be illegal, an action may be maintained to recover the tax paid, with interest, in such manner as may be provided by the Legislature. [*New section adopted November 5, 1974.*]

[*Legislature to Enact Laws*]

SEC. 33. The Legislature shall pass all laws necessary to carry out the provisions of this article. [*New section adopted November 5, 1974.*]

[*Food Products—Taxation*]

SEC. 34. Neither the State of California nor any of its political subdivisions shall levy or collect a sales or use tax on the sale of, or the storage, use or other consumption in this State of food products for human consumption except as provided by statute as of the effective date of this section. [*New section adopted November 3, 1992. Operative January 1, 1993. Initiative measure.*]

[*Local Public Safety Services*]

SEC. 35. (a) The people of the State of California find and declare all of the following:

(1) Public safety services are critically important to the security and well-being of the State's citizens and to the growth and revitalization of the State's economic base.

(2) The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

(3) In order to assist local government in maintaining a sufficient level of public safety services, the proceeds of the tax enacted pursuant to this section shall be designated exclusively for public safety.

(b) In addition to any sales and use taxes imposed by the Legislature, the following sales and use taxes are hereby imposed:

(1) For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of ½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this State on and after January 1, 1994.

(2) An excise tax is hereby imposed on the storage, use, or other consumption in this State of tangible personal property purchased from any retailer on and after January 1, 1994, for storage, use, or other consumption in this State at the rate of ½ percent of the sales price of the property.

(c) The Sales and Use Tax Law, including any amendments made thereto on or after the effective date of this section, shall be applicable to the taxes imposed by subdivision (b).

(d) (1) All revenues, less refunds, derived from the taxes imposed pursuant to subdivision (b) shall be transferred to the Local Public Safety Fund for allocation by the Legislature, as prescribed by statute, to counties in which either of the following occurs:

(A) The board of supervisors, by a majority vote of its membership, requests an allocation from the Local Public Safety Fund in a manner prescribed by statute.

(B) A majority of the county's voters voting thereon approve the addition of this section.

(2) Moneys in the Local Public Safety Fund shall be allocated for use exclusively for public safety services of local agencies.

(e) Revenues derived from the taxes imposed pursuant to subdivision (b) shall not be considered proceeds of taxes for purposes of Article XIII B or State General Fund proceeds of taxes within the meaning of Article XVI.

(f) Except for the provisions of Section 34, this section shall supersede any other provisions of this Constitution that are in conflict with the provisions of this section, including, but not limited to, Section 9 of Article II. [*New section adopted November 2, 1993.*]

SEC. 37. [*Repealed November 5, 1974.*]

SEC. 37.5. [*Repealed November 5, 1974.*]

SEC. 38. [*Repealed November 5, 1974.*]

SEC. 39. [*Repealed November 5, 1974.*]

SEC. 40. [*Repealed November 5, 1974.*]

SEC. 41. [*Repealed November 5, 1974.*]

SEC. 42. [*Repealed November 5, 1974.*]

SEC. 44. [*Repealed November 5, 1974.*]

ARTICLE XIII A *

[TAX LIMITATION]

[*Maximum Ad Valorem Tax on Real Property—Apportionment of Tax Revenues*]

SECTION 1. (a) The maximum amount of any ad valorem tax on real property shall not exceed One percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties.

[*Exceptions to Limitation*]

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemp-

---

* New Article XIII A adopted June 6, 1978. Initiative measure.

tion charges on (1) any indebtedness approved by the voters prior to July 1, 1978, or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition. [*As amended June 3, 1986.*]

[*Valuation of Real Property—Appraised Value After 1975 Assessment—Replacement Dwelling*]

SEC. 2. (a) The full cash value means the county assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975–76 full cash value may be reassessed to reflect that valuation. For purposes of this section, "newly constructed" does not include real property which is reconstructed after a disaster, as declared by the Governor, where the fair market value of the real property, as reconstructed, is comparable to its fair market value prior to the disaster. Also, the term "newly constructed" shall not include the portion of reconstruction or improvement to a structure, constructed of unreinforced masonry bearing wall construction, necessary to comply with any local ordinance relating to seismic safety during the first 15 years following that reconstruction or improvement.

However, the Legislature may provide that under appropriate circumstances and pursuant to definitions and procedures established by the Legislature, 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 and any implementing legislation may transfer the base year value of the property entitled to exemption, with the adjustments authorized by subdivision (b), to any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For purposes of this section, "any person over the age of 55 years" includes a married couple one member of which is over the age of 55 years. For purposes of this section, "replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. For purposes of this section, a two-dwelling unit shall be considered as two separate single-family dwellings. This paragraph shall apply to any replacement dwelling which was purchased or newly constructed on or after November 5, 1986.

In addition, the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county's boundaries, to adopt an ordinance making the provisions of this subdivision relating to transfer of base year value also applicable to situations in which the replacement dwellings are located in that county and the original properties are located in another county within

this State. For purposes of this paragraph, "local affected agency" means any city, special district, school district, or community college district which receives an annual property tax revenue allocation. This paragraph shall apply to any replacement dwelling which was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base year value, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

The Legislature may extend the provisions of this subdivision relating to the transfer of base year values from original properties to replacement dwellings of homeowners over the age of 55 years to severely disabled homeowners, but only with respect to those replacement dwellings purchased or newly constructed on or after the effective date of this paragraph.

[*Full Cash Value Reflecting Inflationary Rate*]

(b) The full cash value base may reflect from year to year the inflationary rate not to exceed 2 percent for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced to reflect substantial damage, destruction or other factors causing a decline in value.

[*"Newly Constructed"*]

(c) For purposes of subdivision (a), the Legislature may provide that the term "newly constructed" shall not include any of the following:

(1) The construction or addition of any active solar energy system.

(2) The construction or installation of any fire sprinkler system, other fire extinguishing system, fire detection system, or fire-related egress improvement, as defined by the Legislature, which is constructed or installed after the effective date of this paragraph.

(3) The construction, installation, or modification on or after the effective date of this paragraph of any portion or structural component of a single or multiple family dwelling which is eligible for the homeowner's exemption if the construction, installation, or modification is for the purpose of making the dwelling more accessible to severely disabled person.

(4) The construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies, which are constructed or installed in existing buildings after the effective date of this paragraph. The Legislature shall define eligible improvements. This exclusion does not apply to seismic safety reconstruction or improvements which qualify for exclusion pursuant to the last sentence of the first paragraph of subdivision (a).

[*"Change in Ownership"*]

(d) For purposes of this section, the term "change in ownership" shall not include the acquisition of real property as a replacement for comparable property if the person acquiring the real property has been displaced from the property replaced by eminent domain proceedings, by acquisition by a public entity, or governmental action which has resulted in a judgment of inverse condemnation. The real property acquired shall be deemed comparable to the property replaced if it is similar in size, utility, and function, or if it conforms to state regulations defined by the Legislature governing the relocation of persons displaced by governmental actions. The provisions of this subdivision shall be applied to any property acquired after March 1, 1975, but shall affect only those assessments of that property which occur after the provisions of this subdivision take effect.

[*Disasters—Replacement Property*]

(e) (1) Notwithstanding any other provision of this section, the Legislature shall provide that the base year value of property which is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.

(2) Except as provided in paragraph (3), this subdivision shall apply to any comparable replacement property acquired or newly constructed on or after July 1, 1985, and to the determination of base year values for the 1985–86 fiscal year and fiscal years thereafter.

(3) In addition to the transfer of base year value of property within the same county that is permitted by paragraph (1), the Legislature may authorize each county board of supervisors to adopt, after consultation with affected local agencies within the county, an ordinance allowing the transfer of the base year value of property that is located within another county in the State and is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property of equal or lesser value that is located within the adopting county and is acquired or newly constructed within three years of the substantial damage or destruction of the original property as a replacement for that property. The scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to this paragraph shall not exceed the scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to subdivision (a). For purposes of this paragraph, "affected local agency" means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues. This paragraph shall apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster, as declared by the Governor, occuring on or after

October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter.

[*Disasters—Replacement Property*]

(f) For the purposes of subdivision (e):

(1) Property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50 percent of its value immediately before the disaster. Damage includes a diminution in the value of property as a result of restricted access caused by the disaster.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property which it replaces, and if the fair market value of the acquired property is comparable to the fair market value of the replaced property prior to the disaster.

[*Real Property Transfers between Spouses*]

(g) For purposes of subdivision (a), the terms "purchased" and "change in ownership" shall not include the purchase or transfer of real property between spouses since March 1, 1975, including, but not limited to, all of the following:

(1) Transfers to a trustee for the beneficial use of a spouse, or the surviving spouse of a deceased transferor, or by a trustee of such a trust to the spouse of the trustor.

(2) Transfers to a spouse which take effect upon the death of a spouse.

(3) Transfers to a spouse or former spouse in connection with a property settlement agreement or decree of dissolution of a marriage or legal separation.

(4) The creation, transfer, or termination, solely between spouses, of any coowner's interest.

(5) The distribution of a legal entity's property to a spouse or former spouse in exchange for the interest of the spouse in the legal entity in connection with a property settlement agreement or a decree of dissolution of a marriage or legal separation.

[*Real Property Transfers between Parents and Children*]

(h) For purposes of subdivision (a), the terms "purchased" and "change of ownership" shall not include the purchase or transfer of the principal residence of the transferor in the case of a purchase or transfer between parents and their children, as defined by the Legislature, and the purchase or transfer of the first $1,000,000 of the full cash value of all other real property between parents and their children, as defined by the Legislature. This subdivision shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree.

[*Effectiveness of Amendments*]

(i) Unless specifically provided otherwise, amendments to this section adopted prior to November 1, 1988, shall be effective for changes in ownership which occur, and new construction which is completed, after the effective date of the amendment. Unless specifically provided otherwise, amendments to this section adopted after November 1, 1988, shall be effective for changes in ownership which occur, and new construction which is completed, on or after the effective date of the amendment. [*As amended November 2, 1993.*]

[*Changes in State Taxes—Vote Requirement*]

SECTION 3. From and after the effective date of this article, any changes in state taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed. [*New section adopted June 6, 1978. Initiative measure.*]

[*Imposition of Special Taxes*]

SECTION 4. Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district. [*New section adopted June 6, 1978. Initiative measure.*]

[*Effective Date of Article*]

SECTION 5. This article shall take effect for the tax year beginning on July 1 following the passage of this Amendment, except Section 3 which shall become effective upon the passage of this article. [*New section adopted June 6, 1978. Initiative measure.*]

[*Severability*]

SECTION 6. If any section, part, clause, or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect. [*New section adopted June 6, 1978. Initiative measure.*]

ARTICLE XIII B *

GOVERNMENT SPENDING LIMITATION

[*Total Annual Appropriations*]

SEC. 1. The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit Annual Calculation—Review*]

SEC. 1.5. The annual calculation of the appropriations limit under this article for each entity of local government shall be reviewed as part of an annual financial audit. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[*Revenues in Excess of Limitation*]

SEC. 2. (a) (1) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be transferred and allocated, from a fund established for that purpose, pursuant to Section 8.5 of Article XVI.

(2) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

(b) All revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the entity in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit—Adjustments*]

SEC. 3. The appropriations limit for any fiscal year pursuant to Sec. 1 shall be adjusted as follows:

(a) In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or otherwise, from one entity of government to another, then

---

* New Article XIII B adopted November 6, 1979. Initiative measure.

for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

(b) In the event that the financial responsibility of providing services is transferred, in whole or in part, from an entity of government to a private entity, or the financial source for the provision of services is transferred, in whole or in part, from other revenues of an entity of government, to regulatory licenses, user charges or user fees, then for the year of such transfer the appropriations limit of such entity of government shall be decreased accordingly.

(c) (1) In the event an emergency is declared by the legislative body of an entity of government, the appropriations limit of the affected entity of government may be exceeded provided that the appropriations limits in the following three years are reduced accordingly to prevent an aggregate increase in appropriations resulting from the emergency.

(2) In the event an emergency is declared by the Governor, appropriations approved by a two-thirds vote of the legislative body of an affected entity of government to an emergency account for expenditures relating to that emergency shall not constitute appropriations subject to limitation. As used in this paragraph, "emergency" means the existence, as declared by the Governor, of conditions of disaster or extreme peril to the safety of persons and property within the State, or parts thereof, caused by such conditions as attack or probable or imminent attack by an enemy of the United States, fire, flood, drought, storm, civil disorder, earthquake, or volcanic eruption. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit—Establishment or Change*]

SEC. 4. The appropriations limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors, but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change. [*New section adopted November 6, 1979. Initiative measure.*]

[*Contingency, Emergency, Unemployment, Etc., Funds—Contributions—Withdrawals—Transfers*]

SEC. 5. Each entity of government may establish such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds as it shall deem reasonable and proper. Contributions to any such fund, to the extent that such contributions are derived from the proceeds of taxes, shall for purposes of this Article constitute appropriations subject to limitation in the year of contribution. Neither

withdrawals from any such fund, nor expenditures of (or authorizations to expend) such withdrawals, nor transfers between or among such funds, shall for purposes of this Article constitute appropriations subject to limitation. [*New section adopted November 6, 1979. Initiative measure.*]

[*Prudent State Reserve*]

SECTION 5.5. *Prudent State Reserve.* The Legislature shall establish a prudent state reserve fund in such amount as it shall deem reasonable and necessary. Contributions to, and withdrawals from, the fund shall be subject to the provisions of Section 5 of this Article. [*New section adopted November 8, 1988. Initiative measure.*]

[*Mandates of New Programs or Higher Levels of Service—State Subvention—Exceptions*]

SEC. 6. Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse such local government for the costs of such program or increased level of service, except that the Legislature may, but need not, provide such subvention of funds for the following mandates:

(a) Legislative mandates requested by the local agency affected;

(b) Legislation defining a new crime or changing an existing definition of a crime; or

(c) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975. [*New section adopted November 6, 1979. Initiative measure.*]

[*Bonded Indebtedness*]

SEC. 7. Nothing in this Article shall be construed to impair the ability of the State or of any local government to meet its obligations with respect to existing or future bonded indebtedness. [*New section adopted November 6, 1979. Initiative measure.*]

[*Definitions*]

SEC. 8. As used in this article and except as otherwise expressly provided herein:

(a) "Appropriations subject to limitation" of the State means any authorization to expend during a fiscal year the proceeds of taxes levied by or for the State, exclusive of state subventions for the use and operation of local government (other than subventions made pursuant to Section 6) and further exclusive of refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds.

(b) "Appropriations subject to limitation" of an entity of local government means any authorization to expend during a fiscal year the

proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6) exclusive of refunds of taxes.

(c) "Proceeds of taxes" shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues. With respect to any local government, "proceeds of taxes" shall include subventions received from the State, other than pursuant to Section 6, and, with respect to the State, proceeds of taxes shall exclude such subventions.

(d) "Local government" means any city, county, city and county, school district, special district, authority, or other political subdivision of or within the State.

(e) (1) "Change in the cost of living" for the State, a school district, or a community college district means the percentage change in California per capita personal income from the preceding year.

(2) "Change in the cost of living" for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.

(f) "Change in population" of any entity of government, other than the State, a school district, or a community college district, shall be determined by a method prescribed by the Legislature.

"Change in population" of a school district or a community college district shall be the percentage change in the average daily attendance of the school district or community college district from the preceding fiscal year, as determined by a method prescribed by the Legislature.

"Change in population" of the State shall be determined by adding (1) the percentage change in the State's population multiplied by the percentage of the State's budget in the prior fiscal year that is expended for other than educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges, and (2) the percentage change in the total statewide average daily attendance in kindergarten and grades one to 12, inclusive, and the community colleges, multiplied by the percentage of the State's budget in the prior fiscal year that is expended for educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges.

Any determination of population pursuant to this subdivision, other than that measured by average daily attendance, shall be revised, as necessary, to reflect the periodic census conducted by the United States Department of Commerce, or successor department.

(g) "Debt service" means appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979, or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for that purpose.

(h) The "appropriations limit" of each entity of government for each fiscal year is that amount which total annual appropriations subject to limitation may not exceed under Sections 1 and 3. However, the "appropriations limit" of each entity of government for fiscal year 1978–79 is the total of the appropriations subject to limitation of the entity for that fiscal year. For fiscal year 1978–79, state subventions to local governments, exclusive of federal grants, are deemed to have been derived from the proceeds of state taxes.

(i) Except as otherwise provided in Section 5, "appropriations subject to limitation" do not include local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the State, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 9. "Appropriations subject to limitation" for each entity of government do not include:

(a) Appropriations for debt service.

(b) Appropriations required to comply with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

(c) Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977–78 fiscal year levy an ad valorem tax on property in excess of 12½ cents per $100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

(d) Appropriations for all qualified capital outlay projects, as defined by the Legislature.

(e) Appropriations of revenue which are derived from any of the following:

(1) That portion of the taxes imposed on motor vehicle fuels for use in motor vehicles upon public streets and highways at a rate of more than nine cents ($0.09) per gallon.

(2) Sales and use taxes collected on that increment of the tax specified in paragraph (1).

(3) That portion of the weight fee imposed on commercial vehicles which exceeds the weight fee imposed on those vehicles on January 1, 1990. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Effective Date of Article*]

SEC. 10. This Article shall be effective commencing with the first day of the fiscal year following its adoption. [*New section adopted November 6, 1979. Initiative measure.*]

[*Appropriations Limit on or after July 1, 1990*]

SEC. 10.5. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986–87 fiscal year adjusted for the changes made from that fiscal year pursuant to this article, as amended by the measure adding this section, adjusted for the changes required by Section 3. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[*Category Added or Removed from Appropriations Subject to Limitation—Severability*]

SEC. 11. If any appropriation category shall be added to or removed from appropriations subject to limitation, pursuant to final judgment of any court of competent jurisdiction and any appeal therefrom, the appropriations limit shall be adjusted accordingly. If any section, part, clause or phrase in this Article is for any reason held invalid or unconstitutional, the remaining portions of this Article shall not be affected but shall remain in full force and effect. [*New section adopted November 6, 1979. Initiative measure.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 12. "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. [*New section adopted November 8, 1988. Initiative measure.*]

ARTICLE XIV. [*Repealed June 8, 1976. See Article XIV, below.*]

ARTICLE XIV *

LABOR RELATIONS

SECTION 1. [*Repealed June 8, 1976. See Section 1, below.*]

* New Article XIV adopted June 8, 1976.

[*Minimum Wages and General Welfare of Employees*]

SECTION 1. The Legislature may provide for minimum wages and for the general welfare of employees and for those purposes may confer on a commission legislative, executive, and judicial powers. [*New section adopted June 8, 1976.*]

SEC. 2. [*Repealed June 8, 1976. See Section 2, below.*]

[*Eight-hour Workday*]

SEC. 2. Worktime of mechanics or workers on public works may not exceed eight hours a day except in wartime or extraordinary emergencies that endanger life or property. The Legislature shall provide for enforcement of this section. [*New section adopted June 8, 1976.*]

SEC. 3. [*Repealed June 8, 1976. See Section 3, below.*]

[*Mechanics' Liens*]

SEC. 3. Mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material for the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens. [*New section adopted June 8, 1976.*]

SEC. 4. [*Repealed June 8, 1976. See Section 4, below.*]

[*Workers' Compensation*]

SEC. 4. The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workers' compensation, by appropriate legislation, and in that behalf to create and enforce a liability on the part of any or all persons to compensate any or all of their workers for injury or disability, and their dependents for death incurred or sustained by the said workers in the course of their employment, irrespective of the fault of any party. A complete system of workers' compensation includes adequate provisions for the comfort, health and safety and general welfare of any and all workers and those dependent upon them for support to the extent of relieving from the consequences of any injury or death incurred or sustained by workers in the course of their employment, irrespective of the fault of any party; also full provision for securing safety in places of employment; full provision for such medical, surgical, hospital and other remedial treatment as is requisite to cure and relieve from the effects of such injury; full provision for adequate insurance coverage against liability to pay or furnish compensation; full provision for regulating such insurance coverage in all its aspects, including the establishment and management of a state compensation insurance fund; full provision for otherwise securing the payment of compensation; and full provision for vesting power, authority and jurisdiction in an administrative body with all the requisite gov-

ernmental functions to determine any dispute or matter arising under such legislation, to the end that the administration of such legislation shall accomplish substantial justice in all cases expeditiously, inexpensively, and without incumbrance of any character; all of which matters are expressly declared to be the social public policy of this State, binding upon all departments of the state government.

The Legislature is vested with plenary powers, to provide for the settlement of any disputes arising under such legislation by arbitration, or by an industrial accident commission, by the courts, or by either, any, or all of these agencies, either separately or in combination, and may fix and control the method and manner of trial of any such dispute, the rules of evidence and the manner of review of decisions rendered by the tribunal or tribunals designated by it; provided, that all decisions of any such tribunal shall be subject to review by the appellate courts of this State. The Legislature may combine in one statute all the provisions for a complete system of workers' compensation, as herein defined.

The Legislature shall have power to provide for the payment of an award to the State in the case of the death, arising out of and in the course of the employment, of an employee without dependents, and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer for awards to employees of the employer.

Nothing contained herein shall be taken or construed to impair or render ineffectual in any measure the creation and existence of the industrial accident commission of this State or the state compensation insurance fund, the creation and existence of which, with all the functions vested in them, are hereby ratified and confirmed. [*New section adopted June 8, 1976.*]

SEC. 5. [*Repealed November 6, 1990. See Section 5, below.*]

[*Inmate Labor*]

SECTION 5. (a) The Director of Corrections or any county Sheriff or other local government official charged with jail operations, may enter into contracts with public entities, nonprofit or for profit organizations, entities, or businesses for the purpose of conducting programs which use inmate labor. Such programs shall be operated and implemented pursuant to statutes enacted by or in accordance with the provisions of the Prison Inmate Labor Initiative of 1990, and by rules and regulations prescribed by the Director of Corrections and, for county jail programs, by local ordinances.

(b) No contract shall be executed with an employer that will initiate employment by inmates in the same job classification as non-inmate employees of the same employer who are on strike, as defined in Section 1132.6 of the Labor Code, as it reads on January 1, 1990, or who are subject to lockout, as defined in Section 1132.8 of the Labor Code, as it reads on January 1, 1990. Total daily hours worked by inmates em-

ployed in the same job classification as non-inmate employees of the same employer who are on strike, as defined in Section 1132.6 of the Labor Code, as it reads on January 1, 1990, or who are subject to lockout, as defined in Section 1132.8 of the Labor Code, as it reads on January 1, 1990, shall not exceed, for the duration of the strike, the average daily hours worked for the preceding six months, or if the program has been in operation for less than six months, the average for the period of operation.

(c) Nothing in this section shall be interpreted as creating a right of inmates to work. [*New section adopted November 6, 1990. Initiative measure.*]

ARTICLE XV. [*Repealed June 8, 1976. See Article XV, below.*]

ARTICLE XV *

USURY

SECTION 1. [*Repealed June 8, 1976. See Section 1, below.*]

[*Rate of Interest*]

SECTION 1. The rate of interest upon the loan or forbearance of any money, goods, or things in action, or on accounts after demand, shall be 7 percent per annum but it shall be competent for the parties to any loan or forbearance of any money, goods or things in action to contract in writing for a rate of interest:

(1) For any loan or forbearance of any money, goods, or things in action, if the money, goods, or things in action are for use primarily for personal, family, or household purposes, at a rate not exceeding 10 percent per annum; provided, however, that any loan or forbearance of any money, goods or things in action the proceeds of which are used primarily for the purchase, construction or improvement of real property shall not be deemed to be a use primarily for personal, family or household purposes; or

(2) For any loan or forbearance of any money, goods, or things in action for any use other than specified in paragraph (1), at a rate not exceeding the higher of (a) 10 percent per annum or (b) 5 percent per annum plus the rate prevailing on the 25th day of the month preceding the earlier of (i) the date of execution of the contract to make the loan or forbearance, or (ii) the date of making the loan or forbearance established by the Federal Reserve Bank of San Francisco on advances to member banks under Sections 13 and 13a of the Federal Reserve Act as now in effect or hereafter from time to time amended (or if there is no such single determinable rate of advances, the closest counterpart of

* New Article XV adopted June 8, 1976.

such rate as shall be designated by the Superintendent of Banks of the State of California unless some other person or agency is delegated such authority by the Legislature).

[*Charges*]

No person, association, copartnership or corporation shall by charging any fee, bonus, commission, discount or other compensation receive from a borrower more than the interest authorized by this section upon any loan or forbearance of any money, goods or things in action.

[*Exemptions*]

However, none of the above restrictions shall apply to any obligations of, loans made by, or forbearances of, any building and loan association as defined in and which is operated under that certain act known as the "Building and Loan Association Act," approved May 5, 1931, as amended, or to any corporation incorporated in the manner prescribed in and operating under that certain act entitled "An act defining industrial loan companies, providing for their incorporation, powers and supervision," approved May 18, 1917, as amended, or any corporation incorporated in the manner prescribed in and operating under that certain act entitled "An act defining credit unions, providing for their incorporation, powers, management and supervision," approved March 31, 1927, as amended or any duly licensed pawnbroker or personal property broker, or any loans made or arranged by any person licensed as a real estate broker by the State of California and secured in whole or in part by liens on real property, or any bank as defined in and operating under that certain act known as the "Bank Act," approved March 1, 1909, as amended, or any bank created and operating under and pursuant to any laws of this State or of the United States of America or any nonprofit cooperative association organized under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code in loaning or advancing money in connection with any activity mentioned in said title or any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, live stock, poultry and bee products on a cooperative nonprofit basis in loaning or advancing money to the members thereof or in connection with any such business or any corporation securing money or credit from any federal intermediate credit bank, organized and existing pursuant to the provisions of an act of Congress entitled "Agricultural Credits Act of 1923," as amended in loaning or advancing credit so secured, or any other class of persons authorized by statute, or to any successor in interest to any loan or forbearance exempted under this article, nor shall any such charge of any said exempted classes of persons be considered in any action or for any purpose as increasing or affecting or as connected with the rate of interest hereinbefore fixed. The Legislature may from time to time prescribe the maximum rate per annum of,

or provide for the supervision, or the filing of a schedule of, or in any manner fix, regulate or limit, the fees, bonuses, commissions, discounts or other compensation which all or any of the said exempted classes of persons may charge or receive from a borrower in connection with any loan or forbearance of any money, goods or things in action.

[*Judgments Rendered in Court—Rate of Interest*]

The rate of interest upon a judgment rendered in any court of this State shall be set by the Legislature at not more than 10 percent per annum. Such rate may be variable and based upon interest rates charged by federal agencies or economic indicators, or both.

In the absence of the setting of such rate by the Legislature, the rate of interest on any judgment rendered in any court of the State shall be 7 percent per annum.

[*Scope of Section*]

The provisions of this section shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. [*As amended November 6, 1979.*]

SEC. 2. [*Repealed June 8, 1976.*]

SEC. 3. [*Repealed June 8, 1976.*]

ARTICLE XVI

PUBLIC FINANCE

[*Heading as amended November 5, 1974.*]

[*State Indebtedness—Limitation—Two-thirds Vote to Submit Bond Law—Submission of Law to Electors*]

SECTION 1. The Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any previous debts or liabilities, exceed the sum of three hundred thousand dollars ($300,000), except in case of war to repel invasion or suppress insurrection, unless the same shall be authorized by law for some single object or work to be distinctly specified therein which law shall provide ways and means, exclusive of loans, for the payment of the interest of such debt or liability as it falls due, and also to pay and discharge the principal of such debt or liability within 50 years of the time of the contracting thereof, and shall be irrepealable until the principal and interest thereon shall be paid and discharged, and such law may make provision for a sinking fund to pay the principal of such debt or liability to commence at a time after the incurring of such debt or liability of not more than a period of one-fourth of the time of maturity of such debt or liability; but no such law shall take effect unless it has been passed by a two-thirds vote of all the members elected to each house of the Legislature and until, at a general election or at a direct primary, it

shall have been submitted to the people and shall have received a majority of all the votes cast for and against it at such election; and all moneys raised by authority of such law shall be applied only to the specific object therein stated or to the payment of the debt thereby created. Full publicity as to matters to be voted upon by the people is afforded by the setting out of the complete text of the proposed laws, together with the arguments for and against them, in the ballot pamphlet mailed to each elector preceding the election at which they are submitted, and the only requirement for publication of such law shall be that it be set out at length in ballot pamphlets which the Secretary of State shall cause to be printed. The Legislature may, at any time after the approval of such law by the people, reduce the amount of the indebtedness authorized by the law to an amount not less than the amount contracted at the time of the reduction, or it may repeal the law if no debt shall have been contracted in pursuance thereof.

Notwithstanding any other provision of this Constitution, Members of the Legislature who are required to meet with the State Allocation Board shall have equal rights and duties with the nonlegislative members to vote and act upon matters pending or coming before such board for the allocation and apportionment of funds to school districts for school construction purposes or purposes related thereto.

Notwithstanding any other provision of this constitution, or of any bond act to the contrary, if any general obligation bonds of the State heretofore or hereafter authorized by vote of the people have been offered for sale and not sold, the Legislature may raise the maximum rate of interest payable on all general obligation bonds authorized but not sold, whether or not such bonds have been offered for sale, by a statute passed by a two-thirds vote of all members elected to each house thereof.

The provisions of Senate Bill No. 763† of the 1969 Regular Session, which authorize an increase of the state general obligation bond maximum interest rate from 5 percent to an amount not in excess of 7 percent and eliminate the maximum rate of interest payable on notes given in anticipation of the sale of such bonds, are hereby ratified. [*As amended June 2, 1970.*]

[*General Obligation Bond Proceeds Fund*]

SEC. 1.5. The Legislature may create and establish a "General Obligation Bond Proceeds Fund" in the State Treasury, and may provide for the proceeds of the sale of general obligation bonds of the State heretofore or hereafter issued, including any sums paid as accrued interest thereon, under any or all acts authorizing the issuance of such bonds, to be paid into or transferred to, as the case may be, the "General Obligation Bond Proceeds Fund." Accounts shall be maintained in the "General Obligation Bond Proceeds Fund" of all moneys deposited

† Chapter 740.

in the State Treasury to the credit of that fund and the proceeds of each bond issue shall be maintained as a separate and distinct account and shall be paid out only in accordance with the law authorizing the issuance of the particular bonds from which the proceeds were derived. The Legislature may abolish, subject to the conditions of this section, any fund in the State Treasury heretofore or hereafter created by any act for the purpose of having deposited therein the proceeds from the issuance of bonds if such proceeds are transferred to or paid into the "General Obligation Bond Proceeds Fund" pursuant to the authority granted in this section; provided, however, that nothing in this section shall prevent the Legislature from re-establishing any bond proceeds fund so abolished and transferring back to its credit all proceeds in the "General Obligation Bond Proceeds Fund" which constitute the proceeds of the particular bond fund being re-established. [*New section adopted November 6, 1962.*]

SEC. 2. [*Repealed November 6, 1962. See Section 2, below.*]

[*Bond Issues—Submission by Constitutional Amendment Prohibited—Repeal of Certain Constitutional Provisions*]

SEC. 2. (a) No amendment to this Constitution which provides for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors, nor shall any such amendment to the Constitution hereafter submitted to or approved by the electors become effective for any purpose.

Each measure providing for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors in the form of a bond act or statute.

(b) The provisions of this Constitution enumerated in subdivision (c) of this section are repealed and such provisions are continued as statutes which have been approved, adopted, legalized, ratified, validated, and made fully and completely effective, by means of the adoption by the electorate of a ratifying constitutional amendment, except that the Legislature, in addition to whatever powers it possessed under such provisions, may amend or repeal such provisions when the bonds issued thereunder have been fully retired and when no rights thereunder will be damaged.

(c) The enumerated provisions of this Constitution are: Article XVI, Sections 2, 3, 4, 4½, 5, 6, 8, 8½, 15, 16, 16.5, 17, 18, 19, 19.5, 20 and 21. [*New section adopted November 6, 1962.*]

SEC. 3. [*Repealed November 6, 1962. See Section 3, below.*]

[*Appropriations*]

SEC. 3. No money shall ever be appropriated or drawn from the State Treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the State as a state institution, nor shall any

grant or donation of property ever be made thereto by the State, except that notwithstanding anything contained in this or any other section of the Constitution:

[*Federal Funds*]

(1) Whenever federal funds are made available for the construction of hospital facilities by public agencies and nonprofit corporations organized to construct and maintain such facilities, nothing in this Constitution shall prevent the Legislature from making state money available for that purpose, or from authorizing the use of such money for the construction of hospital facilities by nonprofit corporations organized to construct and maintain such facilities.

[*Institution for Support of Orphans or Aged Indigents*]

(2) The Legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions.

[*Needy Blind*]

(3) The Legislature shall have the power to grant aid to needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, and no person concerned with the administration of aid to needy blind persons shall dictate how any applicant or recipient shall expend such aid granted him, and all money paid to a recipient of such aid shall be intended to help him meet his individual needs and is not for the benefit of any other person, and such aid when granted shall not be construed as income to any person other than the blind recipient of such aid, and the State Department of Social Welfare shall take all necessary action to enforce the provisions relating to aid to needy blind persons as heretofore stated.

[*Physically Handicapped Persons*]

(4) The Legislature shall have power to grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State.

[*Management of Institutions*]

(5) The State shall have at any time the right to inquire into the management of such institutions.

[*Orphans, Aged Indigents, Needy Blind—County Support*]

(6) Whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances, or needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, or needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State; such county, city and county, city, or town shall be entitled to receive the same pro rata appropriations as may be granted to such institutions under church, or other control.

[*Receipts and Expenditures of Public Moneys*]

An accurate statement of the receipts and expenditures of public moneys shall be attached to and published with the laws at every regular session of the Legislature. [*New section adopted November 5, 1974.*]

SEC. 4. [*Repealed November 6, 1962. See Section 4, below.*]

[*Loan Guarantees re Nonprofit Corporations and Public Agencies*]

SEC. 4. The Legislature shall have the power to insure or guarantee loans made by private or public lenders to nonprofit corporations and public agencies, the proceeds of which are to be used for the construction, expansion, enlargement, improvement, renovation or repair of any public or nonprofit hospital, hospital facility, or extended care facility, facility for the treatment of mental illness, or all of them, including any outpatient facility and any other facility useful and convenient in the operation of the hospital and any original equipment for any such hospital or facility, or both.

No provision of this Constitution, including but not limited to, Section 1 of Article XVI and Section 14 of Article XI, shall be construed as a limitation upon the authority granted to the Legislature by this section. [*New section adopted November 5, 1974.*]

SEC. 4½. [*Repealed November 6, 1962.*]

SEC. 5. [*Repealed November 6, 1962. See Section 5, below.*]

[*Religious Institutions—Grants Prohibited*]

SEC. 5. Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church,

or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed November 6, 1962. See Section 6, below.*]

[*Gifts or Loans of Public Moneys or Pledging of Credit Prohibited—Stock of Corporations*]

SEC. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

[*Insurance Pooling Arrangements*]

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers

agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

[*Aid to Veterans*]

Provided, further, that nothing contained in this Constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and

[*Disaster Assistance*]

Provided, further, that nothing contained in this Constitution shall prohibit the State, or any county, city and county, city, township, or other political corporation or subdivision of the State from providing aid or assistance to persons, if found to be in the public interest, for the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a period of a major disaster or emergency, in either case declared by the President. In such case, the public entity shall be indemnified by the recipient from the award of any claim against the public entity arising from the rendering of such aid or assistance. Such aid or assistance must be eligible for federal reimbursement for the cost thereof.

[*Temporary Transfers of Funds to Political Subdivisions*]

And provided, still further, that notwithstanding the restrictions contained in this Constitution, the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue. [*As amended November 2, 1982.*]

SEC. 7. [*Repealed November 6, 1962. See Section 7, below.*]

[*Controller's Warrants*]

SEC. 7. Money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant. [*New section adopted November 5, 1974.*]

SEC. 8. [*Repealed November 6, 1962. See Section 8, below.*]

[*School Funding Priority*]

SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.

(b) Commencing with the 1990–91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of the following amounts:

(1) The amount which, as a percentage of General Fund revenues which may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87.

(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B. This paragraph shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus one half of one percent.

(3) (A) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.

(B) In addition, an amount equal to one-half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.

(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income

in a fiscal year is greater than the percentage growth in per capital General Fund revenues plus one half of one percent.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or 3 of subdivision (b) in the subsequent fiscal year.

(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys actually appropriated to school districts and community college districts in that fiscal year.

(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund revenues from proceeds of taxes and one-half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.

(f) For purposes of this section, "changes in enrollment" shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.

(h) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an

urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV. [*As amended June 5, 1990. Operative July 1, 1990.*]

SEC. 8½. [*Repealed November 6, 1962.*]

[*Allocations to State School Fund*]

SECTION 8.5. (a) In addition to the amount required to be applied for the support of school districts and community college districts pursuant to Section 8, the Controller shall during each fiscal year transfer and allocate all revenues available pursuant to paragraph 1 of subdivision (a) of Section 2 of Article XIII B to that portion of the State School Fund restricted for elementary and high school purposes, and to that portion of the State School Fund restricted for community college purposes, respectively, in proportion to the enrollment in school districts and community college districts respectively.

(1) With respect to funds allocated to that portion of the State School Fund restricted for elementary and high school purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Superintendent of Public Instruction mutually determine that current annual expenditures per student equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditures per student for elementary and high schools, and that average class size equals or is less than the average class size of the 10 states with the lowest class size for elementary and high schools.

(2) With respect to funds allocated to that portion of the State School Fund restricted for community college purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Chancellor of the California Community Colleges mutually determine that current annual expenditures per student for community colleges in this State equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditure per student for community colleges.

(b) Notwithstanding the provisions of Article XIII B, funds allocated pursuant to this section shall not constitute appropriations subject to limitation.

(c) From any funds transferred to the State School Fund pursuant to subdivision (a), the Controller shall each year allocate to each school district and community college district an equal amount per enrollment in school districts from the amount in that portion of the State School Fund restricted for elementary and high school purposes and an equal amount per enrollment in community college districts from that portion of the State School Fund restricted for community college purposes.

(d) All revenues allocated pursuant to subdivision (a) shall be expended solely for the purposes of instructional improvement and accountability as required by law.

(e) Any school district maintaining an elementary or secondary school shall develop and cause to be prepared an annual audit accounting for such funds and shall adopt a School Accountability Report Card for each school. [*As amended June 5, 1990. Operative July 1, 1990.*]

SEC. 9. [*Repealed November 6, 1962. See Section 9, below.*]

[*Fish and Game*]

SEC. 9. Money collected under any state law relating to the protection or propagation of fish and game shall be used for activities relating thereto. [*New section adopted November 5, 1974.*]

[*Aged Aid—Federal-State Co-operation*]

SEC. 10. Whenever the United States government or any officer or agency thereof shall provide pensions or other aid for the aged, cooperation by the State therewith and therein is hereby authorized in such manner and to such extent as may be provided by law.

The money expended by any county, city and county, municipality, district or other political subdivision of this State made available under the provisions of this section shall not be considered as a part of the base for determining the maximum expenditure for any given year permissible under Section 20† of Article XI of this Constitution independent of the vote of the electors or authorization by the State Board of Equalization. [*As amended November 6, 1962.*]

[*Relief Administration*]

SEC. 11. The Legislature has plenary power to provide for the administration of any constitutional provisions or laws heretofore or hereafter enacted concerning the administration of relief, and to that end may modify, transfer, or enlarge the powers vested in any state agency or officer concerned with the administration of relief or laws appertaining thereto. The Legislature, or the people by initiative, shall have power to amend, alter, or repeal any law relating to the relief of hardship and destitution, whether such hardship and destitution results from unemployment or from other causes, or to provide for the administration of the relief of hardship and destitution, whether resulting from unemployment or from other causes, either directly by the State or through the counties of the State, and to grant such aid to the counties therefor, or make such provision for reimbursement of the counties by the State, as the Legislature deems proper. [*As amended November 6, 1962.*]

SEC. 12. [*Repealed November 6, 1962.*]

---

† Section 20, Article XI, repealed June 2, 1970.

[*Legislative Power to Release Encumbrances Taken as Security for Aid to Aged*]

SEC. 13. Notwithstanding any other provision of this Constitution, the Legislature shall have power to release, rescind, cancel, or otherwise nullify in whole or in part any encumbrance on property, personal obligation, or other form of security heretofore or hereafter exacted or imposed by the Legislature to secure the repayment to, or reimbursement of, the State, and the counties or other agencies of the state government, of aid lawfully granted to and received by aged persons. [*As amended November 6, 1962.*]

[*Bonds—Environmental Pollution Control Facilities*]

SEC. 14. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of environmental pollution control facilities, including the acquisition of all technological facilities necessary or convenient for pollution control, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by either house, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Section 25 of Article XIII and Sections 1 and 2 of Article XVI, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing herein contained shall authorize any public agency to operate any industrial or commercial enterprise. [*New section adopted November 7, 1972.*]

[*Energy Alternative Sources Facilities—Acquisition, Construction, Etc.—Revenue Bond Issuance*]

SEC. 14.5. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of facilities utilizing cogeneration technology, solar power, biomass, or any other alternative source the Legislature may deem appropriate, including the acquisition of all technological facilities necessary or convenient for the use of alternative sources, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by both houses, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Sections 1, 2, and 6, of this article, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing contained herein shall authorize any public agency to operate any industrial or commercial enterprise. [*New section adopted June 3, 1980.*]

SEC. 15. [*Repealed November 6, 1962. See Section 15, below.*]

[*Parking Meter Revenues*]

SEC. 15. A public body authorized to issue securities to provide public parking facilities and any other public body whose territorial area includes such facilities are authorized to make revenues from street parking meters available as additional security. [*New section adopted November 5, 1974.*]

SEC. 16. [*Repealed November 6, 1962. See Section 16, below.*]

[*Taxation of Redevelopment Projects*]

SEC. 16. All property in a redevelopment project established under the Community Redevelopment Law as now existing or hereafter amended, except publicly owned property not subject to taxation by reason of that ownership, shall be taxed in proportion to its value as provided in Section 1 of this article, and those taxes (the word "taxes" as used herein includes, but is not limited to, all levies on an ad valorem basis upon land or real property) shall be levied and collected as other taxes are levied and collected by the respective taxing agencies.

The Legislature may provide that any redevelopment plan may contain a provision that the taxes, if any, so levied upon the taxable property in a redevelopment project each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of those taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of that property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to, and when collected shall be paid into, the funds of the respective taxing agencies as taxes by or for those taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after the ordinance's effective date, the assessment roll of the county last equalized on the effective date of that ordinance shall be used in determining the assessed valuation of the taxable property in the project on that effective date); and

(b) Except as provided in subdivision (c), that portion of the levied taxes each year in excess of that amount shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise)

incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in the project as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and interest thereon, have been paid, then all moneys thereafter received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(c) That portion of the taxes identified in subdivision (b) which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This paragraph shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

The Legislature may also provide that in any redevelopment plan or in the proceedings for the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes identified in subdivision (b), exclusive of that portion identified in subdivision (c), may be irrevocably pledged for the payment of the principal of and interest on those loans, advances, or indebtedness.

It is intended by this section to empower any redevelopment agency, city, county, or city and county under any law authorized by this section to exercise the provisions hereof separately or in combination with powers granted by the same or any other law relative to redevelopment agencies. This section shall not affect any other law or laws relating to the same or a similar subject but is intended to authorize an alternative method of procedure governing the subject to which it refers.

The Legislature shall enact those laws as may be necessary to enforce the provisions of this section. [*As amended November 8, 1988.*]

SEC. 16.5. [*Repealed November 6, 1962.*]

SEC. 17. [*Repealed November 6, 1962. See Section 17, below.*]

[*State's Credit—Investment of Public Pension or Retirement Funds*]

SEC. 17. The State shall not in any manner loan its credit, nor shall it subscribe to, or be interested in the stock of any company, association, or corporation, except that the State and each political subdivision, district, municipality, and public agency thereof is hereby authorized to acquire and hold shares of the capital stock of any mutual water

company or corporation when the stock is so acquired or held for the purpose of furnishing a supply of water for public, municipal or governmental purposes; and the holding of the stock shall entitle the holder thereof to all of the rights, powers and privileges, and shall subject the holder to the obligations and liabilities conferred or imposed by law upon other holders of stock in the mutual water company or corporation in which the stock is so held.

Notwithstanding any other provisions of law or this Constitution to the contrary, the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system, subject to all of the following:

(a) The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

(b) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.

(c) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(d) The members of the retirement board of a public pension or retirement system shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

(e) The retirement board of a public pension or retirement system, consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.

(f) With regard to the retirement board of a public pension or retirement system which includes in its composition elected employee members, the number, terms, and method of selection or removal of members of the retirement board which were required by law or

otherwise in effect on July 1, 1991, shall not be changed, amended, or modified by the Legislature unless the change, amendment, or modification enacted by the Legislature is ratified by a majority vote of the electors of the jurisdiction in which the participants of the system are or were, prior to retirement, employed.

(g) The Legislature may by statute continue to prohibit certain investments by a retirement board where it is in the public interest to do so, and provided that the prohibition satisfies the standards of fiduciary care and loyalty required of a retirement board pursuant to this section.

(h) As used in this section, the term "retirement board" shall mean the board of administration, board of trustees, board of directors, or other governing body or board of a public employees' pension or retirement system; provided, however, that the term "retirement board" shall not be interpreted to mean or include a governing body or board created after July 1, 1991 which does not administer pension or retirement benefits, or the elected legislative body of a jurisdiction which employs participants in a public employees' pension or retirement system. [*As amended November 3, 1992. Initiative measure.*]

SEC. 18. [*Repealed November 6, 1962. See Section 18, below.*]

[*Municipal Debt Exceeding Income*]

SEC. 18. No county, city, town, township, board of education, or school district, shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, except that with respect to any such public entity which is authorized to incur indebtedness for public school purposes, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the purpose of repairing, reconstructing or replacing public school buildings determined, in the manner prescribed by law, to be structurally unsafe for school use, shall be adopted upon the approval of a majority of the qualified electors of the public entity voting on the proposition at such election; nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the same; provided, however, anything to the contrary herein notwithstanding, when two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when two-thirds or a majority of the qualified electors, as the case may be, voting on any one of such propositions, vote in favor thereof, such proposition shall be deemed adopted. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 6, 1962. See Section 19, below.*]

[*Public Improvement Proceedings by Chartered City or County*]

SEC. 19. All proceedings undertaken by any chartered city, or by any chartered county or by any chartered city and county for the construction of any public improvement, or the acquisition of any property for public use, or both, where the cost thereof is to be paid in whole or in part by special assessment or other special assessment taxes upon property, whether the special assessment will be specific or a special assessment tax upon property wholly or partially according to the assessed value of such property, shall be undertaken only in accordance with the provisions of law governing: (a) limitations of costs of such proceedings or assessments for such proceedings, or both, in relation to the value of any property assessed therefor; (b) determination of a basis for the valuation of any such property; (c) payment of the cost in excess of such limitations; (d) avoidance of such limitations; (e) postponement or abandonment, or both, of such proceedings in whole or in part upon majority protest, and particularly in accordance with such provisions as contained in Sections 10, 11 and 13a of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 or any amendments, codification, reenactment or restatement thereof.

Notwithstanding any provisions for debt limitation or majority protest as in this section provided, if, after the giving of such reasonable notice by publication and posting and the holding of such public hearing as the legislative body of any such chartered county, chartered city or chartered city and county shall have prescribed, such legislative body by no less than a four-fifths vote of all members thereof, finds and determines that the public convenience and necessity require such improvements or acquisitions, such debt limitation and majority protest provisions shall not apply.

Nothing contained in this section shall require the legislative body of any such city, county, or city and county to prepare or to cause to be prepared, hear, notice for hearing or report the hearing of any report as to any such proposed construction or acquisition or both. [*New section adopted November 5, 1974.*]

SEC. 19.5. [*Repealed November 6, 1962.*]

SEC. 20. [*Repealed November 6, 1962.*]

SEC. 21. [*Repealed November 6, 1962.*]

ARTICLE XVII. [*Repealed June 8, 1976.*]

ARTICLE XVIII. [*Repealed November 3, 1970. See Article XVIII, below.*]

ARTICLE XVIII*

AMENDING AND REVISING THE CONSTITUTION

SECTION 1. [*Repealed November 3, 1970. See Section 1, below.*]

[*By Legislature*]

SEC. 1. The Legislature by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, may propose an amendment or revision of the Constitution and in the same manner may amend or withdraw its proposal. Each amendment shall be so prepared and submitted that it can be voted on separately. [*New section adopted November 3, 1970.*]

SEC. 2. [*Repealed November 3, 1970. See Section 2, below.*]

[*Constitutional Convention*]

SEC. 2. The Legislature by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, may submit at a general election the question whether to call a convention to revise the Constitution. If the majority vote yes on that question, within 6 months the Legislature shall provide for the convention. Delegates to a constitutional convention shall be voters elected from districts as nearly equal in population as may be practicable. [*New section adopted November 3, 1970.*]

[*Initiatives*]

SEC. 3. The electors may amend the Constitution by initiative. [*New section adopted November 3, 1970.*]

[*Effective Date: Conflict*]

SEC. 4. A proposed amendment or revision shall be submitted to the electors and if approved by a majority of votes thereon takes effect the day after the election unless the measure provides otherwise. If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail. [*New section adopted November 3, 1970.*]

ARTICLE XIX. [*Repealed November 4, 1952. See Article XIX, below.*]

ARTICLE XIX**

MOTOR VEHICLE REVENUES

SECTION 1. [*Repealed June 4, 1974. See Section 1, below.*]

---

* New Article XVIII adopted November 3, 1970.

** Former Article XXVI, as renumbered June 8, 1976.

[*Use of Fuel Taxes*]

SECTION 1. Revenues from taxes imposed by the State on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the costs of collection and any refunds authorized by law, shall be used for the following purposes:

(a) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the adminstrative costs necessarily incurred in the foregoing purposes.

(b) The research, planning, construction, and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services. [*New section adopted June 4, 1974.*]

SEC. 2. [*Repealed June 4, 1974. See Section 2, below.*]

[*Use of Motor Vehicle Fees and Taxes*]

SEC. 2. Revenues from fees and taxes imposed by the State upon vehicles or their use or operation, over and above the costs of collection and any refunds authorized by law, shall be used for the following purposes:

(a) The state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways of this State, including the enforcement of traffic and vehicle laws by state agencies and the mitigation of the environmental effects of motor vehicle operation due to air and sound emissions.

(b) The purposes specified in Section 1 of this article. [*New section adopted June 4, 1974.*]

SEC. 3. [*Repealed June 4, 1974. See Section 3, below.*]

[*Appropriations by the Legislature—Regulation of Expenditures, Etc.*]

SEC. 3. The Legislature shall provide for the allocation of the revenues to be used for the purposes specified in Section 1 of this article in a manner which ensures the continuance of existing statutory allocation formulas for cities, counties, and areas of the State, until it determines that another basis for an equitable, geographical, and jurisdictional distribution exists; provided that, until such determination is made, any use of such revenues for purposes specified in subdivision (b) of Section 1 of this article by or in a city, county, or area of the State shall be included within the existing statutory allocations to, or for

expenditure in, that city, county, or area. Any future statutory revisions shall provide for the allocation of these revenues, together with other similar revenues, in a manner which gives equal consideration to the transportation needs of all areas of the State and all segments of the population consistent with the orderly achievement of the adopted local, regional, and statewide goals for ground transportation in local general plans, regional transportation plans, and the California Transportation Plan. [*New section adopted June 4, 1974.*]

SEC. 4. [*Repealed June 4, 1974. See Section 4, below.*]

[*Authorization and Approval for Expenditures*]

SEC. 4. Revenues allocated pursuant to Section 3 may not be expended for the purposes specified in subdivision (b) of Section 1, except for research and planning, until such use is approved by a majority of the votes cast on the proposition authorizing such use of such revenues in an election held throughout the county or counties, or a specified area of a county or counties, within which the revenues are to be expended. The Legislature may authorize the revenues approved for allocation or expenditure under this section to be pledged or used for the payment of principal and interest on voter-approved bonds issued for the purposes specified in subdivision (b) of Section 1. [*New section adopted June 4, 1974.*]

[*Expenditures for Payment of Bonds*]

SEC. 5. The Legislature may authorize up to 25 percent of the revenues available for expenditure by any city or county, or by the State, for the purposes specified in subdivision (a) of Section 1 of this article to be pledged or used for the payment of principal and interest on voter-approved bonds issued for such purposes. [*New section adopted June 4, 1974.*]

[*Loans to State General Fund*]

SEC. 6. This article shall not prevent the designated tax revenues from being temporarily loaned to the State General Fund upon condition that amounts loaned be repaid to the funds from which they were borrowed. [*New section adopted June 4, 1974.*]

[*Scope of Article*]

SEC. 7. This article shall not affect or apply to fees or taxes imposed pursuant to the Sales and Use Tax Law or the Vehicle License Fee Law, and all amendments and additions now or hereafter made to such statutes. [*New section adopted June 4, 1974.*]

[*Use of Excess Lands for Parks and Recreation*]

SEC. 8. Notwithstanding Sections 1 and 2 of this article, any real property acquired by the expenditure of the designated tax revenues

by an entity other than the State for the purposes authorized in those sections, but no longer required for such purposes, may be used for local public park and recreational purposes. [*New section adopted June 8, 1976.*]

[*Transfer of Surplus State Property Located in Coastal Zone*]

SEC. 9. Notwithstanding any other provision of this Constitution, the Legislature, by statute, with respect to surplus state property acquired by the expenditure of tax revenues designated in Sections 1 and 2 and located in the coastal zone, may authorize the transfer of such property, for a consideration at least equal to the acquisition cost paid by the state to acquire the property, to the Department of Parks and Recreation for state park purposes, or to the Department of Fish and Game for the protection and preservation of fish and wildlife habitat, or to the Wildlife Conservation Board for purposes of the Wildlife Conservation Law of 1947, or to the State Coastal Conservancy for the preservation of agricultural lands.

As used in this section, "coastal zone" means "coastal zone" as defined by Section 30103 of the Public Resources Code as such zone is described on January 1, 1977. [*New section adopted November 7, 1978.*]

ARTICLE XX

MISCELLANEOUS SUBJECTS

SECTION 1. [*Repealed November 7, 1972. See Section 1, below.*]

[*Sacramento County Consolidation With City or Cities*]

SEC. 1. Notwithstanding the provisions of Section 6 of Article XI, the County of Sacramento and all or any of the cities within the County of Sacramento may be consolidated as a charter city and county as provided by statute, with the approval of a majority of the electors of the county voting on the question of such consolidation and upon such other vote as the Legislature may prescribe in such statute. The charter City and County of Sacramento shall be a charter city and a charter county. Its charter city powers supersede conflicting charter county powers. [*New section adopted June 4, 1974.*]

[*Protection of Homesteads*]

SEC. 1.5. The Legislature shall protect, by law, from forced sale a certain portion of the homestead and other property of all heads of families. [*New section adopted June 8, 1976.*]

SEC. 2. [*Repealed November 3, 1970. See Section 2, below.*]

[*Leland Stanford Junior University—Henry E. Huntington Library and Art Gallery*]

SEC. 2. Except for tax exemptions provided in Article XIII, the rights, powers, privileges, and confirmations conferred by Sections 10† and 15† of Article IX in effect on January 1, 1973, relating to Stanford University and the Huntington Library and Art Gallery, are continued in effect. [*Former Section 6, as renumbered June 8, 1976.*]

[*Oath of Office*]

SEC. 3. Members of the Legislature, and all public officers and employees, executive, legislative, and judicial, except such inferior officers and employees as may be by law exempted, shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation:

"I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

"And I do further swear (or affirm) that I do not advocate, nor am I a member of any party or organization, political or otherwise, that now advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means; that within the five years immediately preceding the taking of this oath (or affirmation) I have not been a member of any party or organization, political or otherwise, that advocated the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means except as follows:

_____

(If no affiliations, write in the words "No Exceptions")

and that during such time as I hold the office of_____

(name of office)

I will not advocate nor become a member of any party or organization, political or otherwise, that advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means."

And no other oath, declaration, or test, shall be required as a qualification for any public office or employment.

"Public officer and employee" includes every officer and employee of the State, including the University of California, every county, city,

† Sections 10 and 15 of Article IX repealed November 5, 1974.

city and county, district, and authority, including any department, division, bureau, board, commission, agency, or instrumentality of any of the foregoing. [*As amended November 4, 1952.*]

SEC. 3.5. [*Repealed November 3, 1970.*]

SEC. 4. [*Repealed November 3, 1970. See Section 4, below.*]

[*Franchises*]

SEC. 4. The Legislature shall not pass any laws permitting the leasing or alienation of any franchise, so as to relieve the franchise or property held thereunder from the liabilities of the lessor or grantor, lessee, or grantee, contracted or incurred in the operation, use, or enjoyment of such franchise, or any of its privileges. [*Former Section 7, as renumbered June 8, 1976.*]

SEC. 5. [*Repealed June 8, 1976. See Section 5, below.*]

[*Laws Concerning Corporations*]

SEC. 5. All laws now in force in this State concerning corporations and all laws that may be hereafter passed pursuant to this section may be altered from time to time or repealed. [*Former Section 24, as renumbered June 8, 1976.*]

SEC. 6. [*Renumbered Section 2 June 8, 1976. See Section 6, below.*]

[*Reduction in Legislator's Term of Office—Retirement Benefits, Etc.*]

SEC. 6. Any legislator whose term of office is reduced by operation of the amendment to subdivision (a) of Section 2 of Article IV adopted by the people in 1972 shall, notwithstanding any other provision of this Constitution, be entitled to retirement benefits and compensation as if the term of office had not been so reduced. [*Former Section 25, as renumbered June 8, 1976.*]

SEC. 7. [*Renumbered Section 4 June 8, 1976. See Section 7, below.*]

[*Constitutional Officers—Number of Terms*]

SEC. 7. The limitations on the number of terms prescribed by Section 2 of Article IV, Sections 2 and 11 of Article V, Section 2 of Article IX, and Section 17 of Article XIII apply only to terms to which persons are elected or appointed on or after November 6, 1990, except that an incumbent Senator whose office is not on the ballot for the general election on that date may serve only one additional term. Those limitations shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than half of the full term. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 8. [*Renumbered Section 21 of Article I and amended November 5, 1974.*]

SEC. 9. [*Repealed November 3, 1970.*]

SEC. 10. [*Repealed June 8, 1976.*]

SEC. 11. [*Repealed June 8, 1976.*]

SEC. 12. [*Repealed November 3, 1970.*]

SEC. 13. [*Repealed November 3, 1970.*]

SEC. 14. [*Repealed November 3, 1970.*]

SEC. 15. [*Repealed June 8, 1976.*]

SEC. 16. [*Repealed November 7, 1972.*]

SEC. 17. [*Repealed June 8, 1976.*]

SEC. 17½. [*Repealed June 8, 1976.*]

SEC. 18. [*Renumbered Section 8 of Article I and amended November 5, 1974.*]

SEC. 19. [*Repealed June 8, 1976.*]

SEC. 20. [*Repealed June 8, 1976.*]

SEC. 21. [*Repealed June 8, 1976.*]

SEC. 22. [*As adopted November 6, 1934, relating to Rate of Interest—Usury, repealed June 8, 1976.*]

[*Liquor Control*]

SEC. 22. The State of California, subject to the internal revenue laws of the United States, shall have the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transportation of alcoholic beverages within the State, and subject to the laws of the United States regulating commerce between foreign nations and among the states shall have the exclusive right and power to regulate the importation into and exportation from the State, of alcoholic beverages. In the exercise of these rights and powers, the Legislature shall not constitute the State or any agency thereof a manufacturer or seller of alcoholic beverages.

[*Licensed Premises—Types of Licenses*]

All alcoholic beverages may be bought, sold, served, consumed and otherwise disposed of in premises which shall be licensed as provided by the Legislature. In providing for the licensing of premises, the Legislature may provide for the issuance of, among other licenses, licenses for the following types of premises where the alcoholic beverages specified in the licenses may be sold and served for consumption upon the premises:

(a) For bona fide public eating places, as defined by the Legislature.

(b) For public premises in which food shall not be sold or served as in a bona fide public eating place, but upon which premises the Legislature may permit the sale or service of food products incidental to the sale and service of alcoholic beverages. No person under the age of 21 years shall be permitted to enter and remain in any such premises without lawful business therein.

(c) For public premises for the sale and service of beers alone.

(d) Under such conditions as the Legislature may impose, for railroad dining or club cars, passenger ships, common carriers by air, and bona fide clubs after such clubs have been lawfully operated for not less than one year.

[*Service or Sale to Minors*]

The sale, furnishing, giving, or causing to be sold, furnished, or giving away of any alcoholic beverage to any person under the age of 21 years is hereby prohibited, and no person shall sell, furnish, give, or cause to be sold, furnished, or given away any alcoholic beverage to any person under the age of 21 years, and no person under the age of 21 years shall purchase any alcoholic beverage.

[*Director of Alcoholic Beverage Control*]

The Director of Alcoholic Beverage Control shall be the head of the Department of Alcoholic Beverage Control, shall be appointed by the Governor subject to confirmation by a majority vote of all of the members elected to the Senate, and shall serve at the pleasure of the Governor. The director may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove the director from office for dereliction of duty or corruption or incompetency. The director may appoint three persons who shall be exempt from civil service, in addition to the person he is authorized to appoint by Section 4 of Article XXIV.

[*Department of Alcoholic Beverage Control—Powers—Duties*]

The Department of Alcoholic Beverage Control shall have the exclusive power, except as herein provided and in accordance with laws enacted by the Legislature, to license the manufacture, importation and sale of alcoholic beverages in this State, and to collect license fees or occupation taxes on account thereof. The department shall have the power, in its discretion, to deny, suspend or revoke any specific alcoholic beverages license if it shall determine for good cause that the granting or continuance of such license would be contrary to public welfare or morals, or that a person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude. It shall be unlawful for any person other than a licensee of said department to manufacture, import or sell alcoholic beverages in this State.

[*Alcoholic Beverage Control Appeals Board*]

The Alcoholic Beverage Control Appeals Board shall consist of three members appointed by the Governor, subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his initial appointment, shall be a resident of a different county from the one in which either of the other members resides. The members of the board may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all mem-

bers elected to each house, to remove any member from office for dereliction of duty or corruption or incompetency.

[*Appeals—Reviews—Reversals*]

When any person aggrieved thereby appeals from a decision of the department ordering any penalty assessment, issuing, denying, transferring, suspending or revoking any license for the manufacture, importation, or sale of alcoholic beverages, the board shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the board shall not receive evidence in addition to that considered by the department. Review by the board of a decision of the department shall be limited to the questions whether the department has proceeded without or in excess of its jurisdiction, whether the department has proceeded in the manner required by law, whether the decision is supported by the findings, and whether the findings are supported by substantial evidence in the light of the whole record. In appeals where the board finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the department it may enter an order remanding the matter to the department for reconsideration in the light of such evidence. In all other appeals the board shall enter an order either affirming or reversing the decision of the department. When the order reverses the decision of the department, the board may direct the reconsideration of the matter in the light of its order and may direct the department to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the department. Orders of the board shall be subject to judicial review upon petition of the director or any party aggrieved by such order.

[*Removal of Director or Board Members*]

A concurrent resolution for the removal of either the director or any member of the board may be introduced in the Legislature only if five Members of the Senate, or 10 Members of the Assembly, join as authors.

[*Licenses—Regulation—Fees*]

Until the Legislature shall otherwise provide, the privilege of keeping, buying, selling, serving, and otherwise disposing of alcoholic beverages in bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and in bona fide clubs after such clubs have been lawfully operated for not less than one year, and the privilege of keeping, buying, selling, serving, and otherwise disposing of beers on any premises open to the general public shall be licensed and regulated under the applicable provisions of the Alcoholic Beverage Control Act, insofar as the same are not inconsistent with the provisions hereof, and excepting that the license fee to be charged bona fide hotels, restaurants, cafes, cafeterias, railroad

dining or club cars, passenger ships, and other public eating places, and any bona fide clubs after such clubs have been lawfully operated for not less than one year, for the privilege of keeping, buying, selling, or otherwise disposing of alcoholic beverages, shall be the amounts prescribed as of the operative date hereof, subject to the power of the Legislature to change such fees.

The State Board of Equalization shall assess and collect such excise taxes as are or may be imposed by the Legislature on account of the manufacture, importation and sale of alcoholic beverages in this State.

The Legislature may authorize, subject to reasonable restrictions, the sale in retail stores of alcoholic beverages contained in the original packages, where such alcoholic beverages are not to be consumed on the premises where sold; and may provide for the issuance of all types of licenses necessary to carry on the activities referred to in the first paragraph of this section, including, but not limited to, licenses necessary for the manufacture, production, processing, importation, exportation, transportation, wholesaling, distribution, and sale of any and all kinds of alcoholic beverages.

The Legislature shall provide for apportioning the amounts collected for license fees or occupation taxes under the provisions hereof between the State and the cities, counties and cities and counties of the State, in such manner as the Legislature may deem proper.

All constitutional provisions and laws inconsistent with the provisions hereof are hereby repealed.

The provisions of this section shall be self-executing, but nothing herein shall prohibit the Legislature from enacting laws implementing and not inconsistent with such provisions.

This amendment shall become operative on January 1, 1957. [*As amended November 6, 1956.*]

[*State Colleges—Speaker, Member of Governing Body*]

SEC. 23. Notwithstanding any other provision of this Constitution, the Speaker of the Assembly shall be an ex officio member, having equal rights and duties with the nonlegislative members, of any state agency created by the Legislature in the field of public higher education which is charged with the management, administration, and control of the State College System of California. [*New section adopted November 3, 1970.*]

SEC. 24. [*Renumbered Section 5 June 8, 1976.*]

SEC. 25. [*Renumbered Section 6 June 8, 1976.*]

ARTICLE XXI. [*Repealed November 7, 1972. See Article XXI below.*]

ARTICLE XXI*

REAPPORTIONMENT OF SENATE, ASSEMBLY, CONGRESSIONAL, AND BOARD OF EQUALIZATION DISTRICTS

[*Reapportionment Following National Census*]

SECTION 1. In the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, the Legislature shall adjust the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts in conformance with the following standards:

[*Standards*]

(a) Each member of the Senate, Assembly, Congress, and the Board of Equalization shall be elected from a single-member district.

(b) The population of all districts of a particular type shall be reasonably equal.

(c) Every district shall be contiguous.

(d) Districts of each type shall be numbered consecutively commencing at the northern boundary of the State and ending at the southern boundary.

(e) The geographical integrity of any city, county, or city and county, or of any geographical region shall be respected to the extent possible without violating the requirements of any other subdivision of this section. [*New section adopted June 3, 1980.*]

ARTICLE XXII. [*Repealed June 6, 1972.*]

ARTICLE XXIII. [*Repealed June 8, 1976.*]

ARTICLE XXIV. [*Repealed June 8, 1976.*]

ARTICLE XXV. [*Repealed November 8, 1949. Initiative measure.*]

ARTICLE XXVI. [*Renumbered Article XIX June 8, 1976.*]

ARTICLE XXVII. [*Repealed November 3, 1970.*]

ARTICLE XXVIII. [*Repealed November 5, 1974.*]

---

* New Article XXI adopted June 3, 1980.

ARTICLE XXXIV*

PUBLIC HOUSING PROJECT LAW

[*Approval of Low Rent Housing Projects by Electors*]

SECTION 1. No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.

[*"Low Rent Housing Project"*]

For the purposes of this article the term "low rent housing project" shall mean any development composed of urban or rural dwellings, apartments or other living accommodations for persons of low income, financed in whole or in part by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. For the purposes of this Article only there shall be excluded from the term "low rent housing project" any such project where there shall be in existence on the effective date hereof, a contract for financial assistance between any state public body and the Federal Government in respect to such project.

[*"Persons of Low Income"*]

For the purposes of this Article only "persons of low income" shall mean persons or families who lack the amount of income which is necessary (as determined by the state public body developing, constructing, or acquiring the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

[*"State Public Body"*]

For the purposes of this Article the term "state public body" shall mean this State, or any city, city and county, county, district, authority, agency, or any other subdivision or public body of this State.

[*"Federal Government"*]

For the purposes of this Article the term "Federal Government" shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America. [*New section adopted November 7, 1950. Initiative measure.*]

---

* New article adopted November 7, 1950. Initiative measure.

[*Self-executing Provisions*]

SECTION 2. The provisions of this Article shall be self-executing but legislation not in conflict herewith may be enacted to facilitate its operation. [*New section adopted November 7, 1950. Initiative measure.*]

[*Constitutionality of Article*]

SECTION 3. If any portion, section or clause of this Article, or the application thereof to any person or circumstance, shall for any reason be declared unconstitutional or held invalid, the remainder of this Article, or the application of such portion, section or clause to other persons or circumstances, shall not be affected thereby. [*New section adopted November 7, 1950. Initiative measure.*]

[*Scope of Article*]

SECTION 4. The provisions of this Article shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. [*New section adopted November 7, 1950. Initiative measure.*]

Index
Constitution of California

INDEX TO CALIFORNIA CONSTITUTION

A

	Article	*Section*
ACADEMY OF SCIENCES, CALIFORNIA		
taxation, exemption from	XIII	4(c)
ACCOUNTS		
general obligation bond proceeds fund	XVI	1.5
ACTIONS AND PROCEEDINGS. See also COURTS; CRIMINAL PROSECUTIONS.		
English language as official language of California, enforcement of	III	6
legislature members' immunity from civil process	IV	14
libelous or slanderous campaign statement	VII	10
state, suits against	III	5
taxes, actions re recovery of taxes claimed illegal	XIII	32
University of California regents: power to sue and be sued	IX	9(f)
water rights and water quality, proceedings re	X A	6
ADMINISTRATIVE AGENCIES		
statute's unconstitutionality, declaration of, prohibited	III	3.5
ADMINISTRATIVE DIRECTOR OF COURTS		
appointment and duties	VI	6
AGE		
alcoholic beverage sale or service to persons under age 21 prohibited	XX	22
electors	II	2
judges' retirement	VI	20
AGED AID		
federal aid, state co-operation re, authorization for	XVI	10
property, encumbrance on, release, etc., of	XVI	13
property tax payments on residences of persons 62 years or older: postponement	XIII	8.5
state support of institutions for	XVI	3
AGENCIES, STATE		
budget information, governor, etc., may require	IV	12(b)
budget, submission of	IV	12(e)
information re duties, governor may require	V	4
AGRICULTURAL ASSOCIATIONS, DISTRICT		
officers and employees of, civil service exemption for	VII	4(*l*)
AID. See AGED AID; BLIND PERSONS; CALIFORNIA, STATE OF.		
AIR CARRIERS		
alcoholic beverages, sale, etc., of	XX	22
AIR FORCE. See MILITARY, NAVAL, ETC., SERVICE; VETERANS.		
ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD		
members of, appointment by governor of	XX	22
members of, removal of	XX	22
powers and duties	XX	22
ALCOHOLIC BEVERAGE CONTROL, DEPARTMENT OF		
powers and duties	XX	22
ALCOHOLIC BEVERAGE CONTROL, DIRECTOR OF		
appointment	XX	22
civil service exempt employees, appointment of	XX	22
removal of	XX	22
ALCOHOLIC BEVERAGES		
age 21, sale, etc., to persons under, prohibited	XX	22
appeals board, alcoholic beverage control. See ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD.		
department of alcoholic beverage control. See ALCOHOLIC BEVERAGE CONTROL, DEPARTMENT OF.		
director of alcoholic beverage control. See ALCOHOLIC BEVERAGE CONTROL, DIRECTOR OF.		
importation and exportation, regulation of	XX	22
legislature, powers and duties of	XX	22
licenses—		
fees and taxes	XX	22
premises	XX	22

	Article	*Section*
ALCOHOLIC BEVERAGES—continued		
licenses—continued		
state's rights and powers re	XX	22
suspension or revocation	XX	22
types of	XX	22
manufacture or sale in state	XX	22
taxes, excise, board of equalization shall assess and collect	XX	22
21 years of age, sale to persons under, prohibited	XX	22
ALIENS		
property rights	I	20
ALLOCATION BOARD, STATE		
school district funds for construction purposes, legislative member voting re	XVI	1
ALUMNI ASSOCIATION OF THE UNIVERSITY OF CALIFORNIA		
advisory committee on the selection of regents, appointment of alumnus to the	IX	9(e)
president and vice president as ex officio regents	IX	9(a)
APPEALS. See also REVIEW.		
alcoholic beverage control, department of, decisions of	XX	22
libelous or slanderous campaign statement	VII	10
APPEALS BOARDS, ASSESSMENT		
creation, etc., by county board of supervisors	XIII	16
APPROPRIATIONS. See also FUNDS; MONEY; REVENUES, STATE.		
bills, appropriation. See LEGISLATURE—*bills.*		
capitol, state, building, fixtures and furniture, repair and maintenance of	IV	28(c)
capitol, state, restoration, alteration or modification re	IV	28(a)
general fund—		
two-thirds vote requirement	IV	12(d)
government spending limitation—		
appropriations limit—		
adjustments—		
categories added or removed by judgment of court	XIII B	11
emergency, exceeding limit in event of	XIII B	3(c)
1986–87 fiscal year	XIII B	10.5
transfer of services to another governmental entity	XIII B	3(a)
transfer of services to private entity	XIII B	3(b)
annual calculations: audit	XIII B	1.5
appropriations subject to limitation, definitions of	XIII B	8(a), 8(b), 8(i), 9, 12
appropriations subject to limitation, exceptions to	XIII B	8(i), 9, 12
capital outlay projects	XIII B	9(d)
contributions to funds derived from proceeds of taxes	XIII B	5
definition	XIII B	8(h)
establishment or change by electors	XIII B	4
1978–79 fiscal year	XIII B	8(h)
1986–87 fiscal year	XIII B	10.5
special districts	XIII B	9(c)
total annual appropriations subject to limitation	XIII B	1
bonded indebtedness, obligations re existing or future	XIII B	7, 8(g)
community colleges: funding	XVI	8
cost of living, changes in	XIII B	1, 8(e)
debt service, definition of	XIII B	8(g)
effective date of provisions re	XIII B	10
funds, contingency, emergency, unemployment, etc.: establishment	XIII B	5
local government, definition of	XIII B	8(d)
mandates of courts or federal government	XIII B	9(b)
population, changes in	XIII B	1, 8(f)
population, determination of	XIII B	8(f)
proceeds of taxes, definition of	XIII B	8(c)
revenues in excess of amount appropriated—		
return	XIII B	2
sources	XIII B	9(e)
transfer and allocation to state school fund	XIII B	2(a)
	XVI	8.5
school funding	XVI	8

	Article	Section
APPROPRIATIONS—continued		
government spending limitation—continued		
severability of provisions re	XIII B	11
state-mandated new programs or higher levels of service	XIII B	6
pro rata, to counties, cities, etc.	XVI	3
school support, sectarian or denominational, prohibited	IX	8
	XVI	5
state officers, salaries of	III	4(a)
statutes for usual current expenses of state effective immediately	IV	8(c)
taxes on real and personal property raised for: ratio	XIII	22
warrants on state treasury	XVI	7
APPROPRIATIONS, WATER		
sales, rentals, etc., regulation by state	X	5
AQUEDUCTS		
assessments, etc.	XIII	19
ARBITRATION		
workers' compensation disputes	XIV	4
ARMY. See also MILITARY, NAVAL, ETC., SERVICE; VETERANS.		
standing army prohibited in time of peace	I	5
ART GALLERIES		
Huntington, Henry E., library and art gallery	XIII	4(c)
ARTISANS		
mechanics' liens, enforcement of	XIV	3
ASSEMBLY. See also LEGISLATURE.		
adjournment or recess—		
adjournment sine die	IV	3(a)
day to day	IV	7(a)
10 days, recesses for more than: consent of other house	IV	7(d)
bills. See also LEGISLATURE.		
budget bill—		
introduction by each house	IV	12(c)
caucus	IV	7(c)
committees: public proceedings	IV	7(c)
committees, selection of	IV	11
compensation of members	IV	4
constitution, amendments to, proposal of	XVIII	1
districts—		
80 assembly districts, division of state into	IV	6
reapportionment of	XXI	1
employees of, civil service exemption for	VII	4(a)
goals and objectives: report	IV	22
governor's appointments, confirmation of—		
constitutional offices, vacancies in	V	5(b)
impeachment, sole power of	IV	18(a)
journal of	IV	7(b)
legislative power vested in	IV	1
members—		
absent members, compelling attendance of	IV	7(a)
civil process, not subject to	IV	14
compensation	IV	4
conflict of interest	IV	5
districts	IV	6
election—		
approval by house	IV	5(a)
date of	IV	2(b)
residency	IV	2(c)
terms	IV	2(a)
vacancy	IV	2(d)
expenses	IV	4
expulsion by two-thirds vote	IV	5
ineligibility for other state offices or employment	IV	13
influencing vote of	IV	15
judicial council, membership on	VI	6
mileage	IV	4
oath of office	XX	3

	Article	Section
ASSEMBLY—continued		
members—continued		
qualifications—		
approval by house	IV	5(a)
elector	IV	2(c)
residence and citizenship	IV	2(c)
recall of	II	14(b)
retirement	IV	4
	XX	6
succession in war- or enemy-caused disaster	IV	21(a)
vote of: felony to influence by bribery, etc.	IV	15
membership	IV	2(a)
officers—		
appointed, civil service exemption for	VII	4(a)
choosing of	IV	7(a)
organization	IV	3(a)
proceedings, public	IV	7(c)
quorum of	IV	7(a)
rules—		
adoption	IV	7(a)
sessions—		
closed sessions	IV	7(c)
regular	IV	3(a)
special	IV	3(b)
speaker—		
University of California board of regents, selection of advisory committee re: membership and appointments	IX	9(e)
speaker as ex officio member of—		
state colleges, governing body of	XX	23
University of California, regents of the	IX	9(a)
terms	IV	2(a)
vacancy, election to fill	IV	2(d)
vote recordation in journal	IV	7(b)
ASSEMBLY, RIGHT OF		
guaranteed to people	I	3
ASSESSMENTS		
appeals boards, county, creation, powers, etc., of	XIII	16
aqueducts	XIII	19
canals	XIII	19
car companies, property of	XIII	19
disaster areas or regions, taxable property damaged or destroyed in	XIII	15
ditches	XIII	19
electric companies, property of	XIII	19
equalization of property contained in assessment roll, etc.	XIII	18
exemptions from—		
burial plots, etc., property used for	XIII	3(g)
flumes	XIII	19
full cash value, assessment at	XIII	1
gas companies, property of	XIII	19
golf courses, nonprofit, real property used for	XIII	10
improvements, replacement, etc., subsequent to March 1954	XIII	11
land owned outside boundaries, definition re	XIII	11
land owned outside boundaries, valuation, etc., of	XIII	11
lands and improvements separately assessed	XIII	13
lien date in 1967 deemed as lien date in 1966	XIII	11
lien date of 1967, valuation on	XIII	11
lien date of 1968, assessment subsequent to	XIII	11
local governmental agency land outside its boundaries: adjustments, etc., by state board of equalization	XIII	11
ocean marine tax	XIII	28(g)
open space lands, practices re	XIII	8
pipelines	XIII	19
place of assessment	XIII	14
private control, prohibition re delegation of power from county or municipal corporation to	XI	11(a)
property, damaged or destroyed	XIII	15

property, personal, rates, etc., re unsecured property	XIII	12
public utilities	XIII	19
railroad companies, property of	XIII	19
single family dwellings	XIII	9
special assessments re acquisition of property for public use	XVI	19
special assessments re public improvements	XVI	19
telegraph and telephone companies, property of	XIII	19
water consumption or usage outside boundaries, limitations on assessments re	XIII	11
ASSESSORS		
county—		
elected county assessors	XI	1(b), 4(c)
immature forest trees, board to determine tax exemptions on: membership	XIII	3(j)
property owned by other than state assessee, duties re	XIII	19
ASSOCIATIONS. See also INSURANCE ASSOCIATIONS; NONPROFIT COOPERATIVE ASSOCIATIONS.		
energy alternative sources, facilities financed by bond issuance for: lease, etc.	XVI	14.5
ASYLUMS		
institutions not state managed or controlled, appropriations for purpose or benefit of	XVI	3
ATTAINDER, BILL OF		
prohibited	I	9
ATTORNEY GENERAL		
chief law officer	V	13
compensation	V	14(a), 14(d), 14(e)
district attorneys and sheriffs, supervision of	V	13
election of	V	11
gifts: restrictions	V	14(c)
honorarium: prohibition	V	14(b)
initiative and referendum titles and summaries, preparation of	II	10(d)
judicial appointments, commission on, membership on	VI	7
lobbying	V	14(e)
powers and duties	V	13
6 deputies or employees of: civil service exemption	VII	4(m)
term of office	V	11
vacancy in office of, appointment to fill	V	5(b)
ATTORNEYS		
state bar membership requirement	VI	9
ATTORNEYS IN FACT		
insurers	XIII	28(a)

B

BAIL		
denial of bail for specified crimes	I	12
excessive not required	I	12, 28
fixing of: considerations	I	12, 28
grant or denial of bail or recognizance release: inclusion of reason for decision in record and court minutes	I	28
serious felony, arrestee for: hearing before judge and notice to prosecutor before release	I	28
sureties, sufficient	I	12, 28
BANKING ASSOCIATIONS, NATIONAL		
taxation of	XIII	27
BANKS		
loans: interest rates	XV	1
motor vehicle license and registration fees	XIII	27
public moneys, deposit of	XI	11(b)
taxation of	XIII	27
BANKS, SUPERINTENDENT OF		
loan interest rates	XV	1
BAR OF CALIFORNIA, STATE		
judges, membership of, preceding selection	VI	15, 15.5

	Article	*Section*
BAR OF CALIFORNIA, STATE—continued		
judges, temporary, membership of	VI	21
judicial council: membership	VI	6
judicial performance, commission on: membership	VI	8
public corporation	VI	9
BAR, STATE. See BAR OF CALIFORNIA, STATE.		
BAYS. See HARBORS, BAYS, ETC.		
BIDS. See also CONTRACTS.		
University of California, competitive bidding procedures re construction contracts, etc., of	IX	9(a), 9(f)
BILL OF ATTAINDER. See ATTAINDER, BILL OF.		
BILLS, LEGISLATIVE. See LEGISLATURE—*bills.*		
BINGO GAMES		
charitable purposes, for	IV	19(c)
BIOMASS		
facilities utilizing, revenue bonds to finance	XVI	14.5
BLIND PERSONS. See also DISABLED PERSONS; PHYSICALLY HANDICAPPED PERSONS.		
aid—		
administrative restrictions on expenditures prohibited	XVI	3
income not to be regarded as income to any other person	XVI	3
legislature's power to grant	XVI	3
veterans' property tax exemption	XIII	4(a)
BOARDS OF EDUCATION. See EDUCATION, BOARDS OF; EDUCATION, CITY BOARDS OF; EDUCATION, COUNTY BOARDS OF; EDUCATION, STATE BOARD OF.		
BOARDS, STATE		
civil service exempt positions	VII	4(d), 4(e)
BOATS, SHIPS, ETC. See VESSELS.		
BOND PROCEEDS FUND, GENERAL OBLIGATION		
creation, etc., of	XVI	1.5
BONDS. See also INDEBTEDNESS.		
acts or statutes re, submission of	XVI	2(a)
cities—		
issuance by, requirements for	XVI	18
constitutional amendment for issuance, etc., prohibition re submission of	XVI	2(a)
counties—		
issuance by, requirements for	XVI	18
districts—		
schools—		
issuance by	IX	6½
	XVI	18
energy, financing of facilities for alternative sources of	XVI	14.5
general obligation bond proceeds fund, creation, etc., of	XVI	1.5
governmental agencies—		
taxation, exemption from	XIII	3(c)
interest, principal, registration, etc.	XI	11(b)
local government—		
indebtedness, obligations re existing or future	XIII B	7, 8(g)
interest exempt from income tax	XIII	26
limitations	XIII	20
	XIII A	1
motor vehicle revenues use for payment on	XIX	4, 5
pollution control facilities, environmental, acquisition, etc., of	XVI	14
public bonds	XI	11(b)
school building repair, etc., indebtedness for	XVI	18
state—		
general obligation bonds—		
interest rate, maximum, on unsold bonds, raising of	XVI	1
indebtedness, obligations re existing or future	XIII B	7, 8(g)
interest exempt from income tax	XIII	26
taxation, exemption from	XIII	3(c)
taxation, etc.	XIII	2
towns and townships—		
issuance by, requirements re	XVI	18

	Article	*Section*
BOUNDARIES		
county	XI	1(a)
state	III	2
taxation or exemptions affecting property involved in change, etc., of	XIII	23
BRIBERY		
legislator's vote, felony to influence	IV	15
office, disqualification from	VII	8(a)
office, exclusion from	VII	8(b)
BUDGET		
agencies, state, submission, etc., by	IV	12(e)
appropriations from general fund—		
limitations on	IV	12(d)
bill—		
action on	IV	8(a)
appropriation bills, passage before	IV	12(c)
emergency bills passage before	IV	12(c)
introduction	IV	8(a), 12(c)
item vetoes	IV	10(e)
passage by June 15 of each year	IV	12(c)
governor to submit	IV	12(a)
BUILDING AND LOAN ASSOCIATIONS		
loans: interest rates	XV	1
BUILDINGS		
property tax exemption	XIII	3(e), 3(f), 5
BURIAL PLOTS		
tax exemption re property used for	XIII	3(g)
BUSINESS		
disqualification because of sex, race, etc., prohibited	I	8

C

CAFETERIAS		
alcoholic beverages, sale, etc., of	XX	22
CALIFORNIA, STATE OF		
agencies, state—		
budgets, submission, etc., of	IV	12(e)
claims by, filing of	IV	12(e)
aid—		
aged indigent persons	XVI	3
blind	XVI	3
children, abandoned, etc., institutions conducted for the support, etc., of	XVI	3
disaster or emergency aid or assistance in clearing debris, etc., from private lands or waters	XVI	6
hospital construction	XVI	3
institutions, certain	XVI	3
orphans, institutions conducted for support, etc., of	XVI	3
physically handicapped	XVI	3
relief administration, reimbursement of counties for	XVI	11
school system, public	IX	6
schools, sectarian or denominational, public money for, prohibited	IX XVI	8 5
veterans' farms or homes, etc.	XVI	6
bonds—		
maximum interest rate on unsold, raising of	XVI	1
taxation, exemption from	XIII	3(c)
taxation: interest exempt from income	XIII	26
boundaries: definition	III	2
constitution. See CONSTITUTION, CALIFORNIA.		
counties as legal subdivisions of	XI	1(a)
debt limitations	XVI	1
executive power vested in governor	V	1
food products, sales or use taxes on: prohibition	XIII	34
government in case of war- or enemy-caused disaster	IV	21
governor's yearly report re condition of state and recommendations	V	3

	Article	Section
CALIFORNIA, STATE OF—continued		
grant or donation of property prohibited	XVI	3
language, official: English	III	6
officers. See also CONSTITUTIONAL OFFICERS; OFFICERS AND EMPLOYEES, PUBLIC.		
assignments, executive, by governor, authorization for	V	6
bribery, disqualification for	VII	8(a)
budget data, governor may request	IV	12(b)
compensation prescribed by statute	V	14(a), 14(d)
deputy or employees of, civil service exemption for	VII	4(e), 4(g)
election, time of	II	20
	V	11
exemption from civil service	VII	4(c), 4(f)
impeachment, subject to	IV	18(b)
information re duties, governor may require	V	4
oath or affirmation of office	XX	3
overthrow of government, etc., advocation of, as disqualification	VII	9(a)
recall procedure	II	14, 15, 17, 18
relief, administration of	XVI	11
salaries, reductions in, prohibited	III	4(a)
terms	II	20
	V	11
overthrow by force or violence, advocating: disqualification from public office, etc.	VII	9
property belonging to: exemption from taxation	XIII	3(a)
Sacramento as capital of	III	2
seat of government, temporary, during war- or enemy-caused disaster	IV	21(e)
spending limitation, government. See APPROPRIATIONS—*government spending limitation.*		
subversives, disqualification of, re office or employment	VII	9(a)
suits against	III	5
taxes, actions to prevent or enjoin collection by state: prohibition	XIII	32
treasury, moneys drawn from, by warrant only	XVI	7
United States, inseparable part of the	III	1
water, appropriations, etc., of, regulation of	X	5
water resources, beneficial use of	X	2
CANALS		
assessments, etc.	XIII	19
irrigation districts: stockholding in domestic or foreign corporations	XVI	6
CAPITAL OFFENSES. See also OFFENSES.		
bail	I	12
CAPITAL, STATE		
Sacramento, city of	III	2
CAPITOL, STATE		
repair and maintenance of building, fixtures and furniture, appropriations or expenditures for	IV	28(b), 28(c)
west wing restoration, alteration or modification re, appropriations for	IV	28(a)
CAR COMPANIES		
assessment, annual, of property of	XIII	19
CASINOS		
prohibition	IV	19 (e)
CENSUS, FEDERAL		
government spending limitation, population adjustments re	XIII B	1, 8(f)
reapportionment following	XXI	1
CERTIORARI		
jurisdiction, original	VI	10
CHARITABLE INSTITUTIONS. See also INSTITUTIONS.		
inmate help, etc.: civil service exemption	VII	4(j)
CHARITABLE ORGANIZATIONS		
buildings under construction	XIII	4(b), 5
property, tax exempt	XIII	4(b), 5
CHARTERS		
cities—		
adoption, amendment, etc.	XI	3(a)
boards of education: member qualifications, etc.	IX	16
charter commission, election of	XI	3(c)

	Article	Section
CHARTERS—continued		
cities—continued		
conflict of measures, highest affirmative vote prevails when	XI	3(d)
county assumption of municipal functions	XI	8(b)
employees, appointment, etc., of, provisions re	XI	5(b)
existing charters and municipal affairs, superseding of	XI	5(a)
generally	XI	5
initiative, repeal or amendment by	XI	3(b)
officers, compensation, etc., of, provisions re	XI	5(b)
police, regulation of, provisions re	XI	5(b)
secretary of state, filing with	XI	3(a)
statutes, official state, publication in	XI	3(a)
subgovernment, provisions re	XI	5(b)
city and county—		
conflicting charter county powers superseded by charter city powers	XI	6(b)
commissions, charter	XI	3(b), 3(c)
consolidation, city and county	XI	6(a)
counties—		
adoption, amendment, etc.	XI	3(a)
assessors, elected, provision for	XI	4(c)
charter commission, election of	XI	3(c)
compensation, provisions re	XI	4(b), 4(c)
conflict of measures, highest affirmative vote prevails when	XI	3(d)
district attorneys, elected, provision for	XI	4(c)
education, county boards of, providing for election, etc., of members of	IX	3.3
employee appointments, duties, etc., provisions re	XI	4(f)
existing charter and laws superseded by adoption of new charter	XI	3(a)
generally	XI	4
governing bodies, provisions re	XI	4(a), 4(b), 4(e), 4(f)
initiative, repeal or amendment by	XI	3(b)
municipal functions, assumption of	XI	8(b)
officers, county, provisions re	XI	4(c), 4(e)
secretary of state, filing with	XI	3(a)
sheriffs, elected, provision for	XI	4(c)
statutes, functions required by, inclusion of	XI	4(d)
statutes, official state, publication in	XI	3(a)
supersedes general law	XI	4(g)
CHIEF JUSTICE. See JUDGES AND JUSTICES—*supreme court.*		
CHIEF LAW OFFICER		
attorney general	V	13
CHILDREN		
aid, state, to	XVI	3
CHURCHES		
aid, public, prohibited	XVI	5
tax exempt property	XIII	3(f), 4(b), 5
CIGARETTES. See TOBACCO AND TOBACCO PRODUCTS.		
CITIES. See also CITY AND COUNTY; LOCAL GOVERNMENT; MUNICIPAL CORPORATIONS.		
aged aid, money expenditures re	XVI	10
aged indigent, state pro rata appropriations for support of	XVI	3
alcoholic beverage license fees or occupation taxes, apportionments re	XX	22
annexations, approval by majority of electors for	XI	2(b)
assessments, special, re public improvements, etc.	XVI	19
bingo games for charitable purposes, authorization for	IV	19(c)
blind, state pro rata appropriations for support of	XVI	3
boards of education, elected or appointed, charter provisions re	IX	16
bonds—		
indebtedness for public school repair, etc., purposes	XVI	18
issuance, requirements re	XVI	18
charters. See CHARTERS.		
claims against, presentation, etc., of, procedure re	XI	12
community redevelopment projects, taxable property of, powers re	XVI	16
consolidation with county as charter city and county	XI	6(a)

	Article	*Section*
CITIES—continued		
consolidation with county as charter city and county: Sacramento County	XX	1
consolidations, approval by majority of electors for	XI	2(b)
county performance of municipal functions	XI	8
credit, giving or lending of, prohibited	XVI	6
debt limitations or majority protest re special assessments	XVI	19
employees. See subheading, *officers and employees.*		
formation of, procedure for	XI	2(a)
funds, temporary transfer of	XVI	6
general law, laws, etc., construction of provisions re	XI	13
governing bodies—		
charters, proposal or revision of	XI	3(b)
compensation or allowance, extra, grant to contractors of, prohibition re	XI	10(a)
compensation or allowance, extra, grant to officer or employee of, prohibition re	XI	10(a)
funds, temporary transfer of, resolution re	XVI	6
housing project, low rent, approval of	XXXIV	1
indebtedness or liability, limitations on	XVI	18
initiative powers, electors' exercise of	II	11
insurance pooling arrangement: joint powers agreement, etc.	XVI	6
motor vehicle revenues: allocations, etc., to cities	XIX	3
municipal court district, not more than one	VI	5(a)
officers and employees—		
charter provisions re	XI	5(b)
claims against, procedure re	XI	12
compensation	XI	5(b)
compensation or allowance, extra, prohibited	IV	17
	XI	10(a)
oath or affirmation of office	XX	3
residence requirement	XI	10(b)
subversives, disqualification of	VII	9(a)
ordinances, enforcement of	XI	7
orphaned, abandoned, etc., children, state pro rata appropriations for support of	XVI	3
physically handicapped persons, state pro rata appropriations for support of	XVI	3
police. See POLICE.		
powers of, distribution of	XI	13
powers of, providing for	XI	2(a)
property acquisition for public use, special assessments for	XVI	19
property of—		
grant or donation for any religious sect, etc., prohibited	XVI	5
public improvements, special assessments for	XVI	19
public utilities—		
commission, public utilities, power of	XII	8
establishment, etc., regulations re	XI	9(b)
regulation	XII	8
referendum powers, electors' exercise of	II	11
regulations, enforcement of	XI	7
sales or use tax revenues, local, apportionment of, contracts re	XIII	29
subversives, disqualification of, re office or employment	VII	9(a)
tax assessment and collection, power of	XIII	24
tax exemption for subversive persons or groups prohibited	VII	9(b)
taxes, special, on districts, imposition of	XIII A	4
tideland sales to	X	3
tort liability or public liability losses: payment through insurance pooling arrangement	XVI	6
unemployment insurance: payment through insurance pooling arrangement	XVI	6
vehicle license fees: allocation to cities	XI	15
workers' compensation: payment through insurance pooling arrangement	XVI	6
CITIZENS COMPENSATION COMMISSION, CALIFORNIA		
creation, etc.	III	8

	Article	*Section*
CITIZENSHIP		
governor, United States citizenship as qualification for	V	2
vote, qualification for	II	2
CITY AND COUNTY. See also CITIES; COUNTIES.		
aged aid, money expenditures re	XVI	10
aged indigent, state pro rata appropriations for support of	XVI	3
alcoholic beverage license fees and occupation taxes, apportionments re	XX	22
assessments, special, re public improvements, etc.	XVI	19
blind, state pro rata appropriations for support of	XVI	3
charter city and county, definition of	XI	6(b)
churches, aid to, prohibited	XVI	5
community redevelopment projects, taxable property of, powers re	XVI	16
consolidation as charter city and county	XI	6(a)
credit, giving or lending of, prohibited	XVI	6
debt limitations or majority protest re special assessments	XVI	19
employees. See subheading, *officers and employees.*		
funds, temporary transfer of	XVI	6
governing body—		
funds, temporary transfer of, resolution re	XVI	6
insurance pooling arrangement: joint powers agreement, etc.	XVI	6
motor vehicle revenues: allocations, etc., to city and county	XIX	3
officers and employees—		
oath of office	XX	3
subversives, disqualification of	VII	9(a)
orphaned, abandoned, etc., children, state pro rata appropriations for support of	XVI	3
physically handicapped persons, state pro rata appropriations for support of	XVI	3
property acquisition for public use, special assessments for	XVI	19
property of—		
grant or donation for any religious sect, etc., prohibited	XVI	5
public improvements, special assessments for	XVI	19
religious sects, aid to, prohibited	XVI	5
sales or use tax revenues, local, apportionment of, contracts re	XIII	29
sectarian purposes, aid for, prohibited	XVI	5
subversives, disqualification of, re office or employment	VII	9(a)
tax exemptions for subversive persons or groups prohibited	VII	9(b)
tideland sales to	X	3
tort liability or public liability losses: payment through insurance pooling arrangement	XVI	6
unemployment insurance: payment through insurance pooling arrangement	XVI	6
water supplied to, franchise to collect rates, etc., for use of	X	6
workers' compensation: payment through insurance pooling arrangement	XVI	6
CIVIL OFFICE		
dual officeholding prohibited	VII	7
CIVIL SERVICE, STATE. See also PERSONNEL BOARD, STATE.		
appointments based on merit	VII	1(b)
county, city, etc., work previously performed by: employees' continuation in position under state civil service	VII	6(c)
exempt positions—		
alcoholic beverage control, director of, positions under	XX	22
continuation in positions brought under civil service	VII	6(b)
generally	VII	4
superintendent of public instruction, deputy and associates of	IX	2.1
officers and employees included in	VII	1(a)
personnel board, state: executive officer	VII	2(c)
promotions based on merit	VII	1(b)
temporary appointments	VII	5
veterans' preference	VII	6(a)
veteran's surviving spouse, civil service preference for	VII	6(a)

	Article	*Section*
CLAIMS		
against cities or counties, procedure for	XI	12
local government, payment of unauthorized claim by, prohibition re	XI	10(a)
state agencies, filing by	IV	12(e)
CLUBS		
alcoholic beverages, sale, etc., of	XX	22
COAST GUARD. See MILITARY, NAVAL, ETC., SERVICE; VETERANS.		
COASTAL ZONE		
state property purchased with certain tax revenues, transfer of surplus	XIX	9
COGENERATION TECHNOLOGY		
facilities utilizing, revenue bonds to finance	XVI	14.5
COGSWELL POLYTECHNICAL COLLEGE		
taxation, exemption from	XIII	4(c)
COLLEGES AND UNIVERSITIES. See COGSWELL POLYTECHNICAL COLLEGE; COLLEGES, NONPROFIT; COLLEGES, PRIVATE; COLLEGES, STATE; COMMUNITY COLLEGES, CALIFORNIA; STANFORD UNIVERSITY, LELAND, JR.; UNIVERSITY OF CALIFORNIA.		
COLLEGES, NONPROFIT		
income exempt from taxes	XIII	26
taxation, exemption from	XIII	3(e), 5
COLLEGES, PRIVATE		
public aid to sectarian, etc., prohibited	XVI	5
COLLEGES, STATE		
assembly speaker as ex officio member re management, etc., of	XX	23
officers and employees of: civil service exemption	VII	4(h)
property of, tax exemption for	XIII	3(d)
COLOR		
business, etc., disqualification because of color, prohibited	I	8
COMMISSIONS		
civil service exempt positions	VII	4(b), 4(d), 4(e)
fish and game	IV	20(b)
industrial accident	XIV	4
judicial appointments	VI	7
judicial performance	VI	8
minimum wages, legislative, executive, and judicial powers re	XIV	1
public utilities	XII	1
COMMITTEES, LEGISLATIVE		
bills—		
31st day, hearing or action	IV	8(a)
caucus	IV	7(c)
officers and employees of, civil service exemption for	VII	4(a)
proceedings, public	IV	7(c)
selection	IV	11
sessions, closed	IV	7(c)
COMMON CARRIERS		
alcoholic beverages, sale, etc., of	XX	22
legislative control of	XII	3
public utility, subject to control and regulation as	XII	3
COMMUNICATIONS		
municipal corporations, operation, etc., of public works by	XI	9(a)
COMMUNITY COLLEGES, CALIFORNIA		
boards of education: elected or appointed member qualifications, etc.: charter provisions	IX	16
districts—		
allocation from state school fund	XVI	8.5
incorporation, organization, etc.	IX	14
instructional improvement and accountability, expenditures for	XVI	8.5(d)
support, revenues for	XVI	8, 8.5
enrollment—		
changes in enrollment: allocations	XVI	8(f)
property of, tax exemption for	XIII	3(d)

	Article	*Section*
COMMUNITY REDEVELOPMENT		
project property, taxation of	XVI	16
COMMUTATIONS		
governor, granting by	V	8(a)
COMPANIES. See name of particular type of company (e.g., INSURANCE COMPANIES).		
COMPENSATION. See also SALARIES; WAGES.		
assessment appeals boards members	XIII	16
attorney general	V	14(a), 14(d), 14(e)
citizens compensation commission, California	III	8
city officers and employees, charter provisions re	XI	5(b)
city officers and employees, extra compensation for, prohibited	IV	17
	XI	10(a)
controller, state	V	14(a), 14(d), 14(e)
county governing bodies	XI	1(b), 4(b)
county officers	XI	1(b)
county officers and employees, extra compensation for, prohibited	IV	17
	XI	10(a)
county officers, charter provision re	XI	4(c)
eminent domain, taking of private property by	I	19
governor	V	14(a), 14(d), 14(e)
judges	VI	5(a), 19
judges' salaries during period of suspension	VI	18(b)
legislative employees	IV	7.5
legislators	IV	4, 7.5
legislators, terms of, effect re reduction in	XX	6
lieutenant governor	V	14(a), 14(d), 14(e)
personnel board, state, executive officer of	VII	2(c)
public officers and employees, grant of extra compensation or allowance for, prohibited	IV	17
	XI	10(a)
secretary of state	V	14(a), 14(d), 14(e)
state officer, secretary of an agency or director of a department appointed by the governor	V	14(e)
superintendent of public instruction	V	14(a), 14(d), 14(e)
treasurer, state	V	14(a), 14(d), 14(e)
workers' compensation awards	XIV	4
COMPENSATION INSURANCE FUND, STATE		
establishment and management of	XIV	4
insurer, inclusion in definition of	XIII	28(a)
ratification and confirmation of	XIV	4
COMPENSATION, WORKERS'. See WORKERS' COMPENSATION.		
CONGRESSIONAL DISTRICTS		
reapportionment	XXI	1
CONSCIENCE		
liberty of, guaranteed	I	4
CONSERVATION		
open space lands, assessment practices re	XIII	8
water resources	X	2
CONSOLIDATIONS		
county	XI	1(a)
CONSTITUTION, CALIFORNIA. See also CONSTRUCTION OF PROVISIONS.		
amendments by electors—		
initiative, amendment by	XVIII	3
amendments by initiative—		
majority approval required	XVIII	4
one subject only	II	8(d)

	Article	*Section*
CONSTITUTION, CALIFORNIA—continued		
amendments by initiative—continued		
proposal of	II	8(a), 8(b)
	XVIII	3
amendments by legislature—		
naming of individuals or private corporations prohibited	II	12
procedure	XVIII	1
two-thirds vote required	XVIII	1
amendments or revision, conflicts in approved measures re	XVIII	4
amendments or revision, effective date of	XVIII	4
bond issuance, etc., amendments re, prohibited	XVI	2(a)
bond issues, previous, provisions re: repeal and continuance as statutes	XVI	2(b), 2(c)
convention to revise, calling of	XVIII	2
revision, convention for purpose of	XVIII	2
revision of, proposals re	XVIII	1
rights guaranteed as independent from United States Constitution	I	24
CONSTITUTION, UNITED STATES		
law, supreme, of the land	III	1
CONSTITUTIONAL CONVENTIONS		
calling of	XVIII	2
CONSTITUTIONAL OFFICERS. See also name of particular officer (e.g., GOVERNOR).		
election, time of	II	20
retirement—		
allowance	III	7
terms, commencement of	II	20
vacancies in office, appointments to fill	V	5(b)
CONSTRUCTION OF PROVISIONS. See also CONSTITUTION, CALIFORNIA.		
criminal defendant, rights of	I	24, 30
hospital facilities, loans guaranteed for	XVI	4
joinder of criminal cases	I	30(a)
local government: terms general law, general laws and laws	XI	13
mandatory and prohibitory: constitutional provisions	I	26
marine resources protection act of 1990	X B	2(b), 4(b), 15, 16
motor vehicle revenues	XIX	7
public housing project law	XXXIV	2, 3
public utilities commission powers	XII	2, 9
tax lien cessation or payment of taxes after 30 years	XIII	30
CONTEMPT		
news reporters', etc., refusal to disclose information sources: adjudged in contempt prohibited	I	2(b)
CONTRACTORS		
extra compensation or extra allowance from city, county, etc., prohibition re	IV	17
extra compensation or extra allowance, granting by county or city of, prohibition re	XI	10(a)
CONTRACTS. See also BIDS.		
impairment of taxing power, prohibited	XIII	31
inmate labor	XIV	5
law impairing obligation of contract	I	9
	III	4(b)
local government contracts performed in whole or in part: prohibition re extra compensation, etc.	IV	17
	XI	10(a)
low rent housing projects, federal financial assistance re	XXXIV	1
University of California: competitive bidding procedures	IX	9(a), 9(f)
CONTROLLER, STATE		
compensation	V	14(a), 14(d), 14(e)
election of	V	11
equalization, state board of, membership on	XIII	17
gifts: restrictions	V	14(c)
honorarium: prohibition	V	14(b)
lobbying	V	14(e)

	Article	Section
CONTROLLER, STATE—continued		
recall duties re recall of secretary of state	II	17
school fund, state, transfer and allocation of money to	XVI	8.5(a), 8.5(c)
term of office	V	11
treasury, state, warrants on	XVI	7
vacancy in office of, appointment to fill	V	5(b)
CONVENTIONS, CONSTITUTIONAL		
calling of	XVIII	2
COOPERATIVE ASSOCIATIONS, NONPROFIT. See NONPROFIT COOPERATIVE ASSOCIATIONS.		
CORPORATIONS		
bar, state, as public corporation	VI	9
common carriers—		
legislative control of	XII	3
constitutional amendments naming private corporations prohibited	II	12
energy alternative sources, facilities financed by bond issue for: lease, etc.	XVI	14.5
foreign or domestic corporations, stock of: acquisition by irrigation districts re water rights, etc.	XVI	6
franchises—		
taxation	XIII	27
harbors, etc., frontage or tidal lands of, prohibited exclusion of right of way, etc., to	X	4
institutions not state managed or controlled, appropriations for purpose or benefit of	XVI	3
laws concerning, alteration or repeal of	XX	5
municipal. See MUNICIPAL CORPORATIONS.		
mutual water corporation, public agency acquisition, etc., of stock in	XVI	17
nonprofit corporations. See NONPROFIT CORPORATIONS.		
pollution control facilities, environmental, lease, etc., of	XVI	14
public corporations. See PUBLIC CORPORATIONS.		
public utilities, establishment and operation of	XI	9(b)
public utilities subject to regulation and control	XII	3
regents of the University of California	IX	9(a), 9(f)
stock—		
subscription, legislature's authorization of, prohibited	XVI	6
stockholders, prohibition re state, etc., as: exceptions	XVI	6
taxation of	XIII	27
tideland sales to	X	3
CORRECTIONAL INSTITUTIONS. See also INSTITUTIONS.		
inmate help, etc.: civil service exemption	VII	4(j)
COST OF LIVING		
government spending limitation, adjustments re	XIII B	1, 8(e)
COUNCILS		
civil service exempt positions	VII	4(b)
COUNTIES. See also CITY AND COUNTY.		
aged aid, money expenditures re	XVI	10
aged aid, release, etc., of encumbrances on property re	XVI	13
aged indigent, state pro rata appropriations for support of	XVI	3
alcoholic beverage license fees or occupational taxes, apportionments re	XX	22
assessment appeals boards, creation, powers, etc., of	XIII	16
assessments, prescribing of	XIII	16
assessments, special, re public improvements, etc.	XVI	19
assessors. See ASSESSORS.		
bingo games for charitable purposes, authorization for	IV	19(c)
blind, state pro rata appropriations for support of	XVI	3
boards of education, county—		
appointment or election, providing of	IX	7
joint boards for two or more counties, election of	IX	7
joint boards for two or more counties, establishment of	IX	3.2
qualifications and terms of office, providing for	IX	3.3
superintendent of schools, county, appointment of	IX	3
superintendent of schools, county, salary of	IX	3.1(b)
bonds—		
indebtedness for public school repair, etc., purposes	XVI	18

COUNTIES—continued	Article	Section
bonds—continued		
issuance, requirements re	XVI	18
boundary changes, approval by governing body of	XI	1(a)
chartered counties: powers of constitution or statute	XI	4(h)
charters. See CHARTERS.		
churches, aid to, prohibited	XVI	5
claims against, presentation, etc., of, procedure re	XI	12
community redevelopment projects, taxable property of, powers re	XVI	16
consolidation with city as charter city and county	XI	6(a)
consolidation with city as city and county: Sacramento County	XX	1
consolidations, approval by majority of electors for	XI	1(a)
court districts, municipal and justice, division of county into	VI	5(a)
credit, giving or lending of, prohibited	XVI	6
debt limitations or majority protest re special assessments	XVI	19
division of state into legal subdivisions	XI	1(a)
employees. See subheading, *officers and employees.*		
equalization, boards of, assessment appeals boards as constituting	XIII	16
equalization, boards of, boards of supervisors to act as	XIII	16
formation of, approval by majority of electors for	XI	1(a)
funds, temporary transfer of	XVI	6
general law, laws, etc., construction of provisions re	XI	13
governing bodies—		
assessment appeals boards, creation of	XIII	16
boundary changes, approval of	XI	1(a)
charters, proposal or revision of	XI	3(b)
compensation	XI	1(b), 4(b)
compensation or allowance, extra, grant to contractors of, prohibition re	XI	10(a)
compensation or allowance, extra, grant to officer or employee of, prohibition re	XI	10(a)
election of	XI	1(b), 4(a)
employee appointments, tenure, etc., providing of	XI	1(b)
equalization, boards of, supervisors to act as	XIII	16
funds, temporary transfer of, resolution re	XVI	6
powers of	XI	1(b)
grand juries, yearly summoning of	I	23
housing project, low rent, approval of	XXXIV	1
indebtedness or liability, limitations on	XVI	18
initiative powers, electors' exercise of	II	11
insurance pooling arrangement: joint powers agreement, etc.	XVI	6
motor vehicle revenues: allocations, etc., to counties	XIX	3
municipal functions, performance of	XI	8
officers and employees—		
charter provisions re	XI	4(c), 4(e)
claims against, procedure re	XI	12
compensation	XI	1(b)
compensation or allowance, extra, prohibited	IV	17
	XI	10(a)
elected officers	XI	1(b)
oath or affirmation of office	XX	3
residence requirement	XI	10(b)
subversives, disqualification of	VII	9(a)
ordinances, enforcement of	XI	7
orphaned, abandoned, etc., children, state pro rata appropriations for support of	XVI	3
physically handicapped persons, state pro rata appropriations for support of	XVI	3
powers of, distribution of	XI	13
private control, etc., of county improvements, etc., prohibited	XI	11(a)
property acquisition for public use, special assessments for	XVI	19
property of—		
damaged or destroyed property: transfer of value to comparable property	XIII A	2(e)
grant or donation for any religious sect, etc., prohibited	XVI	5
property tax apportionments to districts	XIII A	1(a)

COUNTIES—continued	*Article*	*Section*
public improvements, special assessments for	XVI	19
public utilities—		
commission, public utilities, powers of	XII	8
regulation	XII	8
referendum powers, electors' exercise of	II	11
regulations, enforcement of	XI	7
relief, granting, etc., of, reimbursement for	XVI	11
religious sects, aid to, prohibited	XVI	5
sales or use tax revenues, local, apportionment of, contracts re	XIII	29
school taxes, levy of	XIII	21
schools, county superintendents of—		
elections	IX	3
joint superintendent for two or more counties, establishment of	IX	3.2
qualifications	IX	3.1(a)
salary	IX	3.1(b)
selection, election to determine manner of	IX	3
seat of government, temporary: war- or enemy-caused disaster	IV	21(e)
seat, removal of, two-thirds vote of electorate for	XI	1(a)
sectarian purposes, aid for, prohibited	XVI	5
sheriffs. See SHERIFFS.		
subversives, disqualification of, re office or employment	VII	9(a)
superior court in each county	VI	4
tax exemption for subversive persons or groups, prohibited	VII	9(b)
tax exemption of certain low value real property by boards of supervisors	XIII	7
taxes, special, on districts, imposition of	XIII A	4
tideland sales to	X	3
tort liability or public liability losses: payment through insurance pooling arrangement	XVI	6
unemployment insurance: payment through insurance pooling arrangement	XVI	6
vehicle license fees: allocation to counties	XI	15
water supplied to, franchise to collect rates, etc., for use of	X	6
workers' compensation: payment through insurance pooling arrangement	XVI	6
COUNTY BOARDS OF EDUCATION. See EDUCATION, COUNTY BOARDS OF.		
COUNTY CLERKS		
superior courts, ex officio clerks of	VI	4
COUNTY SEATS		
removal of, two-thirds vote of electorate for	XI	1(a)
temporary: war- or enemy-caused disaster	IV	21(e)
COUNTY SUPERINTENDENTS OF SCHOOLS		
election	IX	3
joint superintendent for two or more counties, establishment of	IX	3.2
qualifications	IX	3.1(a)
salary	IX	3.1(b)
selection, election to determine manner of	IX	3
COURTS. See also JUDGES AND JUSTICES.		
administrative director of, appointment, etc., of	VI	6
appeal, courts of. See COURTS OF APPEAL.		
causes submitted but undetermined for 90 days: judges' salary suspension	VI	19
commissioners, appointment of	VI	22
eminent domain proceedings	I	19
employees, certain, civil service exemption for	VII	4(b)
English language as official language of California: suits re enforcement: jurisdiction	III	6
evidence, comment on	VI	10
judicial power vested in	VI	1
jurisdiction, appellate	VI	11
jurisdiction, original	VI	10
jurors, number of, in civil or criminal causes	I	16
justice courts. See JUSTICE COURTS.		
municipal courts. See MUNICIPAL COURTS.		

	Article	Section
COURTS—continued		
officers—		
appointment	VI	22
civil service exemption	VII	4(b)
public utilities commission decision re property confiscation, review of	XII	5
pupil school assignments or pupil transportation: review of prior decisions, etc.	I	7(a)
record, courts of: definition	VI	1
superior courts. See SUPERIOR COURTS.		
supreme court. See SUPREME COURT.		
temporary judges, trials by	VI	21
trials, new, granting of	VI	13
witnesses, testimony and credibility of, comment on	VI	10
workers' compensation disputes, settlement of	XIV	4
COURTS OF APPEAL. See also COURTS.		
certiorari, original jurisdiction in	VI	10
commissioners, appointment of	VI	22
composition of	VI	3
court of record	VI	1
decisions in writing that determine causes	VI	14
decisions reviewed by supreme court	VI	12
division of state into districts containing	VI	3
divisions—		
composition	VI	3
power and conduct as 3-judge court	VI	3
habeas corpus, original jurisdiction in	VI	10
judgment, concurrence necessary for	VI	3
judicial power vested in	VI	1
jurisdiction, appellate	VI	11
justices. See JUDGES AND JUSTICES.		
mandamus, original jurisdiction in	VI	10
opinions, publication of	VI	14
prohibition, original jurisdiction in	VI	10
supreme court judge recommended for censure, removal or retirement, determination of	VI	18(e)
transfer of cause, jurisdiction in	VI	12
water rights and water quality, actions re	X A	6
COURTS OF RECORD. See COURTS.		
CREDIT		
agricultural credits act of 1923, interest rate on loans re	XV	1
state, etc., giving or lending of, prohibited	XVI	6
veterans' farm or home loans, etc.	XVI	6
CREDIT UNIONS		
loans: interest rates	XV	1
public moneys, deposit of	XI	11(b)
CREDITS		
taxation, etc., of solvent credits	XIII	2
CREED		
business, etc., disqualification because of creed, prohibited	I	8
CRIMES		
bail, denial of for certain crimes	I	12
convictions, prior	I	28
exclusion from office for	VII	8(b)
felony conviction, disqualification as elector when imprisoned, etc., for	II	4
legislator's vote, felony to influence by bribery, etc.	IV	15
prosecution on information or indictment	I	14, 14.1
restitution	I	28
rights of defendant or the people	I	15, 24, 29
servitude, involuntary, only permitted for	I	6
suffrage, exclusion from right of, for certain	VII	8(b)
trial by jury	I	16
victims' bill of rights	I	28
victims, protection of	I	30(b)
CRIMINAL PROSECUTIONS		
attorney general, by	V	13
defendant, rights of	I	15, 24

	Article	Section
CRIMINAL PROSECUTIONS—continued		
discovery	I	30(c)
felonies	I	14, 14.1
impeachment proceedings, criminal punishment not subject to outcome of	IV	18(b)
interpreter, right to	I	14
jeopardy, double, not to be placed in	I	15, 24
judges, disqualification, suspension, etc., of	VI	18(a), 18(b)
jurors, number of	I	16
jury, right of trial by	I	16
people, rights of the	I	29
preliminary hearings—		
hearsay evidence: admissibility	I	30(b)
postindictment	I	14.1
prior criminal conviction: use for purposes of impeachment or sentence enhancement	I	28
victims' bill of rights	I	28
CROPS, GROWING		
property tax exemptions	XIII	3(h)
CRUEL OR UNUSUAL PUNISHMENT. See PUNISHMENT.		

D

DATES, DEADLINES, ETC. See TIME.		
DEATH PENALTY		
reinstatement of state laws requiring, authorizing, or imposing	I	27
DEBENTURES		
taxation, etc.	XIII	2
DEBT		
government spending limitation: debt service on indebtedness existing or authorized *as of January 1, 1979*	XIII B	8(g)
imprisonment for, prohibited	I	10
property tax exemption re debt secured by land	XIII	3(n)
state, limitations on	XVI	1
DEEDS OF TRUST		
taxation, etc.	XIII	2
DEFINITIONS		
any person over the age of 55 years	XIII A	2(a)
appropriations subject to limitation	XIII B	8(i), 12
basis of the annual tax re insurers	XIII	28(c)
change in ownership	XIII A	2(d), 2(g), 2(h)
change in population	XIII B	8(f)
change in the cost of living	XIII B	8(e)
charter city and county	XI	6(b)
debt service	XIII B	8(g)
district	X B	2(a)
earned income	IV	4(a)
	V	14(a)
federal government	XXXIV	1
federal office	VII	10
full cash value	XIII A	2(a)
government spending limitation, definitions re	XIII B	8
insurer	XIII	28(a)
investments	XIII	28(c)
lands	XIII	11
local affected agency	XIII A	2(a)
low rent housing project	XXXIV	1
newly constructed	XIII A	2(a), 2(c)
ocean waters	X B	2(c)
persons of low income	XXXIV	1
public generally	IV	4(a), 5(d)
	V	14(a), 14(d)
public officer and employees	XX	3
public school system	IX	6
purchased	XIII A	2(g), 2(h)

	Article	Section
DEFINITIONS—continued		
replacement dwelling	XIII A	2(a)
retirement board	XVI	17(h)
serious felony	I	28
state officer	III	8(*l*)
	V	14(f)
treason	I	18
two-dwelling unit	XIII A	2(a)
zone	X B	2(d)
DELEGATION OF POWERS		
private control of county or municipal functions, prohibitions re	XI	11(a)
DELTA PROTECTION ACT. See SACRAMENTO-SAN JOAQUIN DELTA.		
DEPOSITIONS		
criminal cases, taking in	I	15
DEPOSITS		
general obligation bond proceeds	XVI	1.5
DISABILITY		
judge's retirement	VI	18(c), 18(d), 2(
veterans' property tax exemption	XIII	3(o), 4(a)
DISABLED PERSONS. See also BLIND PERSONS; PHYSICALLY HANDICAPPED PERSONS.		
property tax payments on residence: postponement	XIII	8.5
property taxes: replacement dwellings: transfer of base year values	XIII A	2(a)
DISASTERS		
private lands and waters, public aid in clearing debris, etc., from	XVI	6
taxable property, assessment or reassessment of, following	XIII	15
	XIII A	2(a)
taxable property, transfer of value to comparable property	XIII A	2(a), 2(e), 2(f)
war- or enemy-caused, legislature's powers, etc., during	IV	21
DISCOVERY		
criminal cases	I	30(c)
DISCRIMINATION		
business, etc., disqualification because of sex, race, etc., prohibited	I	8
religion, free exercise, etc., of	I	4
transportation companies, discriminatory charges	XII	4
DISTRICT ATTORNEYS		
elected county district attorneys	XI	1(b), 4(c)
supervision by attorney general	V	13
DISTRICTS		
assembly. See ASSEMBLY.		
courts of appeal divisions	VI	3
fish and game	IV	20(a)
	X B	2(a)
justice court districts, division of counties into	VI	5(a)
municipal court districts, division of counties into	VI	5(a)
officers and employees, public, oath of office of	XX	3
officers' and employees' residence requirement	XI	10(b)
senate. See SENATE.		
subversives, disqualification of, re office or employment	VII	9(a)
taxes on special districts, imposition of	XIII A	4
DITCHES		
assessment, etc.	XIII	19
DIVIDENDS		
insurers, as exception to basis of annual tax for	XIII	28(c)
DUAL OFFICEHOLDING		
governor: prohibited	V	2
lucrative officeholders under United States prohibited from civil office for profit	VII	7
DUE PROCESS OF LAW		
criminal cases	I	24, 29
guaranteed	I	7(a)
pupil school assignment or pupil transportation	I	7(a)

E

	Article	Section
ECOLOGICAL RESERVES		
establishment	X B	14
EDUCATION. See also SCHOOLS.		
college system, state—		
assembly speaker as ex officio member re management, etc., of	XX	23
common schools, legislature to provide system of	IX	5
legislature's encouragement by promotion of scientific, intellectual, etc., improvement	IX	1
public schools—		
salaries of teachers	IX	6
state aid to	IX	6
system, public school: definition	IX	6
superintendent of public instruction, associates and deputy of	IX	2.1
superintendent of public instruction, election of	IX	2
EDUCATION, BOARDS OF		
bond issuance, requirements re	XVI	18
bonded indebtedness for public school repair, etc., purposes	XVI	18
indebtedness or liability, limitations on	XVI	18
EDUCATION, CITY BOARDS OF		
qualifications, terms, etc.: charter provisions	IX	16
EDUCATION, COUNTY BOARDS OF		
election or appointment, legislature to provide for	IX	7
joint boards for two or more counties, establishment of	IX	3.2
qualifications and terms of office	IX	3.3
superintendent of schools, county, appointment of	IX	3
superintendent of schools, county, salary of	IX	3.1(b)
EDUCATION, STATE BOARD OF		
appointment or election, legislature to provide for	IX	7
superintendent of public instruction, deputy and associates of, appointment of	IX	2.1
textbooks, adoption of	IX	7.5
EDUCATION, STATE DEPARTMENT OF		
teaching staff of schools under jurisdiction of: civil service exemption	VII	4(i)
ELECTIONS. See also SUFFRAGE; VOTING.		
assembly members	IV	2(b), 2(d)
ballot pamphlet—		
indebtedness, state, laws re: text and arguments	XVI	1
bribery, etc., influence on, laws prohibiting	VII	8(b)
bribery to procure election to office	VII	8(a)
cities—		
annexations or consolidations, vote requirement for	XI	2(b)
bonded indebtedness, requirements re	XVI	18
charter provisions re	XI	5(b)
charter revision or charter commission, initiative for	XI	3(c)
charters, adoption, amendment, etc., of	XI	3(a)
nonpartisan offices	II	6
officers—		
charter provisions	XI	5(b)
taxes, special, on districts, imposition of	XIII A	4
constitutional convention, calling of	XVIII	2
constitutional offices, time for election to	II	20
counties—		
assessors	XI	1(b), 4(c)
board of education, joint county, and joint county superintendent of schools, establishment of	IX	3.2
bonded indebtedness, requirements re	XVI	18
charter revision or charter commission, initiative for	XI	3(c)
charters, adoption, amendment, etc., of	XI	3(a)
district attorneys	XI	1(b), 4(c)
formation or consolidation of	XI	1(a)
governing bodies	XI	1(b), 4(a)
mass transit guideways, public, expenditure of certain revenues for	XIX	4
nonpartisan offices	II	6
seat, county, approval by majority of electors for removal of	XI	1(a)

ELECTIONS—continued	*Article*	*Section*
counties—continued		
sheriffs	XI	1(b), 4(c)
superintendent of schools, joint, establishment of	IX	3, 3.2
superintendent of schools, manner of selection of	IX	3
taxes, special, on districts, imposition of	XIII A	4
county boards of education	IX	3.3
county superintendents of schools	IX	3
electors—		
appropriations limit establishment or change	XIII B	4
bond measures, submission of	XVI	2(a)
city annexations or consolidations	XI	2(b)
constitution, California, amendment by initiative	XVIII	3
county consolidation, Sacramento	XX	1
county formation or consolidation	XI	1(a)
crimes, disqualification for	II	4
delta protection act, statutes affecting	X A	4
equalization, state board of, members of	XIII	17
fish and wildlife resources, statutes providing for protection of	X A	2
housing project, low rent, development, etc., approval of	XXXIV	1
initiative petition, presentation of	II	8(b)
initiative powers, exercise of: cities or counties	II	11
judges, superior court, system for selection of	VI	16(d)
legislative candidates	IV	2
property qualification, prohibited	I	22
qualifications	II	4
referendum power to reject statutes, etc.	II	9(a)
referendum powers, exercise of: cities or counties	II	11
Sacramento County consolidation as city and county	XX	1
Sacramento-San Joaquin Delta, statutes providing for protection of existing water rights in	X A	2
sales or use tax revenues, local, apportionments, contracts re	XIII	29
seat, county, approval by majority for removal of	XI	1(a)
water resources development system, state, statutes affecting operation of	X A	2
wild and scenic rivers system, state, initiative statute affecting water export from	X A	3
free elections, legislature shall provide for	II	3
governor	V	2
housing project, low rent, development, etc., of	XXXIV	1
indebtedness, state, authorization of	XVI	1
initiative measures	II	8(c)
judges	VI	16(a), 16(b), 16(d)
judicial offices, nonpartisan	II	6
legislature, vacancy in	IV	2(d)
libelous campaign statement	VII	10
local recall elections	II	19
officers, state—		
attorney general	V	11
controller	V	11
governor	V	2
lieutenant governor	V	11
secretary of state	V	11
superintendent of public instruction	IX	2
time of election	V	11
treasurer	V	11
open presidential primary, providing for	II	5
personnel board, state: presiding officer	VII	2(b)
president of the United States, candidates for office of	II	5
primary—		
open presidential primary	II	5
partisan offices	II	5
recall procedure	II	14, 15, 16, 17, 18, 19
referendum measures	II	9(c)

	Article	*Section*
ELECTIONS—continued		
registration, legislature shall provide for	II	3
residence, legislature shall define	II	3
school districts—		
bonded indebtedness, requirements re	XVI	18
school offices, nonpartisan	II	6
senators	IV	2(b), 2(d)
slanderous campaign statement	VII	10
statutes calling elections effective immediately	IV	8(c)
voting, secret	II	7
war- or enemy-caused disaster, filling of offices during	IV	21(d)
ELECTORS. See ELECTIONS.		
ELECTRIC COMPANIES		
assessment, annual, of property of	XIII	19
EMERGENCIES		
governor, declaration by: appropriations spending	XIII B	3(c)
private lands and waters, public aid in clearing debris, etc., from	XVI	6
public works, 8-hour day on, exception to	XIV	2
EMINENT DOMAIN		
navigable waters, frontages on	X	1
property, private, taking	I	19
public utilities, exercise against, compensation re	XII	5
Sacramento-San Joaquin Delta: acquisition of water rights, etc., prohibited	X A	5
EMPLOYMENT		
disqualification because of sex, race, etc., prohibited	I	8
inmate labor	XIV	5
ENERGY		
alternative sources, financing of facilities for	XVI	14.5
ENGLISH LANGUAGE		
official language of California	III	6
ENVIRONMENTAL POLLUTION CONTROL FACILITIES		
revenue bond issuance re acquisition, etc.	XVI	14
EQUALIZATION, COUNTY BOARDS OF		
boards of supervisors to act as	XIII	16
duties	XIII	16
laws pertaining to: applicability to assessment appeals board	XIII	16
EQUALIZATION, STATE BOARD OF		
alcoholic beverage sales, etc., assessment and collection of excise taxes on	XX	22
assessment of utilities	XIII	19
assessments of property owned by other than state assessee, delegation to local assessor	XIII	19
districts—		
4 districts, division of state into	XIII	17
reapportionment	XXI	1
duties	XIII	18
insurers, taxation of, assessments re	XIII	28(h)
local governmental agency land outside its boundaries: adjustment, etc., of assessments	XIII	11
members—		
compensation	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
	V	14(e)
controller	XIII	17
disqualification or forfeiture of office for libelous or slanderous campaign statement	VII	10
election and term of office	XIII	17
gifts: restrictions	V	14(c)
honorarium: prohibition	V	14(b)
impeachment	IV	18(b)
lobbying	V	14(e)
recall	II	14(b)
vacancy, appointment to fill	V	5(b)

	Article	*Section*
EQUALIZATION, STATE BOARD OF—continued		
members—continued		
representation on board to determine tax exemptions on immature forest trees	XIII	3(j)
ESTUARIES. See HARBORS, BAYS, ETC.		
EVIDENCE		
alcoholic beverage control appeals board, review of department decisions by	XX	22
court comment on	VI	10
criminal proceedings, inclusion of relevant evidence in	I	28
hearsay evidence: admissibility	I	30(b)
treason, conviction for	I	18
truth-in-evidence	I	28
EX POST FACTO LAW		
prohibited	I	9
EXECUTIVE OFFICERS. See also OFFICERS AND EMPLOYEES, PUBLIC.		
assignments, executive, and reorganization of functions	V	6
duties, information relating to, required by governor	V	4
EXECUTIVE POWER		
separation of powers	III	3
vested in governor	V	1
EXPENDITURES, STATE		
budget recommendations	IV	12(a)
EXPORTATION		
alcoholic beverages	XX	22

F

FEDERAL FUNDS. See FUNDS—*federal.*		
FELONIES		
prosecution	I	14, 14.1
FELONY OFFENSES. See also OFFENSES.		
bail	I	12
FINANCE, DIRECTOR OF		
schools—		
average class size: determination for transfer or allocation of funds	XVI	8.5(a)
expenditures per student, annual: determination for transfer or allocation of funds	XVI	8.5(a)
FINES AND FORFEITURES		
excessive fines not to be imposed	I	17
fishing violations	X B	13(a), 13(c)
militia fine, in peace time, prohibited imprisonment for	I	10
state officers, acceptance of free passes, etc., from transportation company: forfeiture of office	XII	7
FIRES		
taxable property: fire sprinkler, extinguishing or detection systems, or egress improvement	XIII A	2(c)
FISH		
right of people to	I	25
FISH AND GAME		
commercial passenger fishing boat license	X B	8(d)
districts, division of state into	IV	20(a)
ecological reserves	X B	14
fines and forfeitures	X B	13(a), 13(c)
funds derived from protection, etc., of, use and expenditure of	XVI	9
marine resources protection stamp: fees	X B	8(c), 8(d)
nets	X B	3(a), 3(b), 4(a), 4(b), 5, 7(b), 8(e)
permits, fishing: fees, reimbursement, etc.	X B	6, 7(a), 7(b), 7(c), 7(d)
rockfish	X B	4(a)
sportfishing license	X B	8(c)

	Article	*Section*
FISH AND GAME—continued		
violations	X B	11, 13(a), 13(b), 13(c)
FISH AND GAME COMMISSION		
ecological reserves: establishment, etc.	X B	14
legislature's delegation of power to	IV	20(b)
members—		
appointment of	IV	20(b)
removal by concurrent resolution	IV	20(b)
terms	IV	20(b)
FISH AND GAME, DEPARTMENT OF		
commercial fishing: monitoring program, etc.	X B	12
marine resources protection: report, implementation, etc.	X B	10
nets, fish: restrictions, etc.	X B	4(b), 5(a), 7(a), 8(e)
surplus state property transfer to	XIX	9
FISH AND WILDLIFE RESOURCES		
guarantees and protections, provisions for	X A	1
Sacramento-San Joaquin Delta, statutes affecting resources in	X A	2, 4
San Francisco Bay system, statutes affecting resources in	X A	2
Suisun Marsh, statutes providing protection of resources in: voter approval	X A	2
FLUMES		
assessments, etc.	XIII	19
FOOD		
alcoholic beverages, sale, etc., of	XX	22
open space lands used for food production, assessment of	XIII	8
sales or use taxes	XIII	34
FOREIGNERS. See ALIENS.		
FORESTRY, STATE BOARD OF		
representation on board to determine tax exemptions on immature forest trees	XIII	3(j)
FRANCHISES		
leasing or alienation, liabilities not released by	XX	4
taxation of	XIII	27
urgency statutes granting: prohibition	IV	8(d)
water, right to collect rates, etc., for use of	X	6
FREIGHT		
vessels, certain: exemption from taxation	XIII	3(*l*)
FUNDS. See also APPROPRIATIONS; MONEY; REVENUES, STATE.		
federal—		
hospital facilities by public agencies, etc., construction of	XVI	3
sectarian or denominational schools, support of, prohibited	IX XVI	8 5
state—		
cigarette and tobacco products surtax fund—		
revenues, appropriations of	XIII B	12
compensation insurance fund, state. See COMPENSATION INSURANCE FUND, STATE.		
fish and game preservation fund—		
marine resources protection account	X B	8(a), 8(b), 9
general fund—		
appropriation from: two-thirds vote requirement	IV	12(d)
motor vehicle revenues, loans of	XIX	6
general obligation bond proceeds fund, creation, etc., of	XVI	1.5
indebtedness, state: sinking fund	XVI	1
institutions not state managed or controlled, appropriations for purpose or benefit of	XVI	3
public safety fund, local—		
transfers to and allocations from	XIII	35
reserve fund, prudent state—		
establishment	XIII B	5.5
school fund, state—		
allocations	XVI	8.5

	Article	*Section*
FUNDS—continued		
state—continued		
school fund, state—continued		
apportionments	IX	6
subventions to local governments: use	XIII	24
temporary transfer by treasurer of city, county, or city and county	XVI	6
University of California	IX	9(a), 9(f)

G

GAME. See FISH AND GAME.		
GAS COMPANIES		
assessment, annual, of property of	XIII	19
GIFTS		
public money, etc., prohibited	XVI	6
separate property	I	21
state officer, acceptance by: restrictions	V	14(c)
GOLF COURSES, NONPROFIT		
real property, assessment of	XIII	10
GOVERNMENT. See also CALIFORNIA, STATE OF; UNITED STATES.		
overthrow by force or violence, unlawful, oath or affirmation re	XX	3
overthrow of government, etc., advocation of, as disqualification from holding office, etc.	VII	9(a)
purposes of	II	1
right of people to alter or reform	II	1
subversives, employment of, prohibited	VII	9(a)
GOVERNMENT SPENDING LIMITATION. See APPROPRIATIONS.		
GOVERNMENTAL AGENCIES. See also CITIES; CITY AND COUNTY; COUNTIES; DISTRICTS; LOCAL GOVERNMENT; MUNICIPAL CORPORATIONS.		
appropriations, limitation of. See APPROPRIATIONS—*government spending limitation.*		
subventions—		
exceptions to state funding	XIII B	6
mandated new programs or higher levels of service: reimbursement.	XIII B	6
property taxation: revenue losses re homeowners' exemption	XIII	3(k), 25
property taxation: revenue losses re postponement on residences of persons age 62 or older or disabled	XIII	8.5
use of money subvened to local government	XIII	24
taxation—		
assessment, place of	XIII	14
bonds: exemption	XIII	3(c)
homeowners' property tax exemption	XIII	25
property of: exemption	XIII	3(b)
GOVERNOR		
appointments—		
alcoholic beverage control appeals board	XX	22
alcoholic beverage control, director of	XX	22
citizens compensation commission, California	III	8(a), 8(c), 8(d), 8(e)
fish and game commissioners	IV	20(b)
judicial performance, commission on	VI	8
personnel board, state	VII	2(a)
public utilities commissioners	XII	1
University of California board of regents, selection of, advisory committee re	IX	9(e)
University of California, regents of the	IX	9(a)
vacancies—		
citizens compensation commission, California	III	8(d)
constitutional offices	V	5(b)
filling of, authorization for	V	5
judges, court of appeal	VI	16(d)
judges, superior court	VI	16(c)
judges, supreme court	VI	16(d)
bills—		
12-day return period for veto	IV	10(b)
veto	IV	10
budget, submission of	IV	12(a)
commutation of sentence, granting of	V	8(a)

	Article	*Section*
GOVERNOR—continued		
compensation	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
	V	14(a), 14(d), 14(e)
courts of appeal candidates, nomination of	VI	16(d)
election of	V	2, 11
elections, special, calling of	II	8(c), 9(c)
eligibility for office	V	2
employees of, civil service exemption for	VII	4(f)
executive assignments, authorization for	V	6
executive power vested in	V	1
gifts: restrictions	V	14(c)
governor-elect, preparation of budget by	IV	12(b)
governor-elect's failure to take office, acting governor upon	V	10
honorarium: prohibition	V	14(b)
impeachment of, lieutenant governor to act during	V	10
information from executive officers, agencies, etc., re duties, requiring of	V	4
initiative measures, calling of special election for	II	8(c)
laws, faithful execution of	V	1
legislature—		
report to and recommendations	V	3
special sessions, calling of	IV	3(b)
vacancy in, calling of election to fill	IV	2(d)
lobbying	V	14(e)
militia—		
calling out of	V	7
commander in chief of	V	7
office of, qualifications for	V	2
pardons, granting of	V	8(a)
parole of convicted murderer, review of	V	8(b)
proclamations—		
legislative special session, calling of	IV	3(b)
recall elections, ordering, etc., of	II	15
recall of	II	17
referendum measures, calling of special election for	II	9(c)
reorganization of functions among executive officers and agencies, authorization for	V	6
report to legislature and recommendations	V	3
reprieves, granting of	V	8(a)
succession to office of—		
war- or enemy-caused disaster	IV	21(b)
supreme court candidates, nomination of	VI	16(d)
temporary disability, lieutenant governor to act during	V	10
term of office	V	2
University of California board of regents, selection of, advisory committee re: membership	IX	9(e)
University of California, ex officio regent of the	IX	9(a)
vacancies, appointments to fill	V	5
vacancy in office of, succession when	V	10
veto of bills	IV	10
GRAND JURIES		
summoned once each year	I	23
GRANTS		
impairment of taxing power prohibited	XIII	31
institutions not state managed or controlled, appropriations for purpose or benefit of	XVI	3
tidelands	X	3

H

HABEAS CORPUS		
jurisdiction, original	VI	10
writ of, only suspended for the public safety	I	11

	Article	*Section*
HANDICAPPED PERSONS. See PHYSICALLY HANDICAPPED PERSONS.		
HARBORS, BAYS, ETC.		
frontage or tidal lands of, prohibition against exclusion of right of way, etc., to	X	4
tidelands fronting on, grant or sale to private persons, etc., of	X	3
HEAT		
municipal corporations, operation, etc., of public works by	XI	9(a)
regulation and control, as public utility subject to	XII	3
HENRY E. HUNTINGTON LIBRARY AND ART GALLERY. See HUNTINGTON LIBRARY.		
HIGH SCHOOLS. See also EDUCATION; SCHOOLS.		
district incorporation, organization, etc.	IX	14
HIGHWAYS		
motor vehicle fees and taxes: use	XIX	2
motor vehicle fuel taxes, use of	XIX	1
HOMEOWNERS' PROPERTY TAX EXEMPTION	XIII	3(k), 6, 25
HOMES		
searches and seizures, unreasonable, prohibited	I	13
HOMESTEADS		
sale, forced, protection from	XX	1.5
HORSE RACING		
regulation by legislature	IV	19(b)
HOSPITALS		
appropriations for benefit of	XVI	3
appropriations for purpose or benefit of institutions not state managed or controlled	XVI	3
buildings under construction	XIII	4(b), 5
construction by public agencies and nonprofit corporations, funds for	XVI	3
funds, federal and state, for construction of	XVI	3
loans for improvement, etc., guarantee of	XVI	4
property exempt from taxation	XIII	4(b), 5
public aid to sectarian, etc., prohibited	XVI	5
HOTELS		
alcoholic beverages, sale, etc., of	XX	22
HOUSEHOLDERS' PERSONAL PROPERTY		
tax exemption	XIII	3(m)
HOUSING, LOW RENT. See LOW RENT HOUSING PROJECTS.		
HUNTINGTON LIBRARY		
rights, powers, privileges, etc.	XX	2
taxation, exemption from	XIII	4(c)
HYDROCARBON SUBSTANCES		
golf courses, nonprofit, assessor's consideration in assessing	XIII	10

I

IMMUNITIES. See also PRIVILEGES; PRIVILEGES AND IMMUNITIES.		
legislator's immunity from civil process	IV	14
sovereign immunity: limitations: prescribing of procedure for claims against counties, cities, and their officers, etc.	XI	12
IMPEACHMENT		
governor	V	10
judges as subject to	IV	18(b)
procedure re	IV	18
reprieve, pardon, and commutation of sentence	V	8(a)
state officers as subject to	IV	18(b)
IMPORTATION		
alcoholic beverages	XX	22
IMPRISONMENT FOR DEBT		
prohibited	I	10
IMPRISONMENT FOR TORT	I	10
IMPROVEMENTS, PUBLIC. See PUBLIC IMPROVEMENTS.		
INALIENABLE RIGHTS		
people's	I	1

	Article	Section
INCOME		
blind, aid to, not to be construed as income to any other person	XVI	3
INCOME TAXES		
assessment and collection from persons, corporations, etc.	XIII	26
interest on bonds issued by state or local governments: exemption	XIII	26
nonprofit educational institutions of collegiate grade	XIII	26
INDEBTEDNESS. See also BONDS.		
city, county, etc., limitations on	XVI	18
evidences of: taxation	XIII	2
government spending limitation: indebtedness existing or authorized as of January 1, 1979	XIII B	8(g)
interest, principal, registration, etc.	XI	11(b)
local government, limitations on	XIII A	1(b)
state, limitations on	XVI	1
INDICTMENT		
prosecution by	I	14, 14.1
INDIGENT PERSONS		
aged, state support of institutions for	XVI	3
INDUSTRIAL ACCIDENT COMMISSION		
ratification and confirmation of	XIV	4
workers' compensation disputes, settlement of	XIV	4
INDUSTRIAL LOAN COMPANIES		
loans: interest rates	XV	1
public moneys, deposit of	XI	11(b)
INFORMATION		
executive officers, agencies, etc., duties of: governor's requirement	V	4
newspersons' refusal to disclose unpublished information	I	2(b)
offenses, prosecution by	I	14
INHERITANCE		
separate property	I	21
INITIATIVE. See also REFERENDUM.		
charter commissions, election of	XI	3(c)
charters, county or city, drafts or revisions of	XI	3(c)
charters, county or city, repeals or amendments to	XI	3(b)
cities or counties, electors of	II	11
conflicting measures, highest affirmative vote prevails when	II	10(b)
constitution—		
amendment of	XVIII	3
naming of individuals or private corporations prohibited	II	12
criminal case procedures	I	30(b)
definition and procedure re	II	8
effective date	II	10(a)
elections	II	8(c)
manner petitions circulated, etc., providing of	II	10(e)
one subject only	II	8(d)
petition setting forth text, submission of	II	8(b)
relief laws, amendment, etc., of	XVI	11
reserve powers of people	IV	1
secretary of state, duties of	II	8(c)
signatures: percent required	II	8(b)
statutes, initiative, amendment or repeal of	II	10(c)
title and summary preparation by attorney general	II	10(d)
validity of provisions	VII	11(d)
	X B	16
INLETS. See HARBORS, BAYS, ETC.		
INMATE LABOR	XIV	5
INSTITUTIONS		
appropriations for purpose or benefit of institutions not state managed or controlled	XVI	3
inmate and patient help: civil service exemption	VII	4(j)
public aid to sectarian, etc., prohibited	XVI	5
right to inquiry, state's, re management of institutions	XVI	3
INSURANCE ASSOCIATIONS. See also ASSOCIATIONS.		
insurer, inclusion in definition of	XIII	28(a)
INSURANCE COMMISSIONER		
compensation	V	14(e)
gifts: restrictions	V	14(c)

	Article	*Section*
INSURANCE COMMISSIONER—continued		
honorarium: prohibition	V	14(b)
lobbying	V	14(e)
INSURANCE COMPANIES		
insurer, inclusion in definition of	XIII	28(a)
state compensation insurance fund: inclusion in definition of insurer	XIII	28(a)
taxation. See INSURERS.		
INSURANCE POOLING ARRANGEMENTS		
local governmental agencies	XVI	6
INSURERS		
definition	XIII	28(a)
motor vehicle registration and license fees	XIII	28(f)
taxation—		
annual tax, basis of the	XIII	28(c)
annual tax imposed	XIII	28(b)
annual tax, rate of	XIII	28(d)
board of equalization, assessment by	XIII	28(h)
fraternal benefit societies	XIII	28(f)
in lieu tax, exceptions to	XIII	28(f)
intent of section re gross premiums, less return premiums, received	XIII	28(j)
investments	XIII	28(c)
legislature may change rate by majority vote	XIII	28(i)
ocean marine insurers	XIII	28(f), 28(g)
reciprocity	XIII	28(f)
title and non-title insurers, basis of the annual tax for	XIII	28(c)
INTEREST		
bonds issued by state or local government, exemption from income tax.	XIII	26
indebtedness, evidences of: taxation	XIII	2
insurers, as exception to basis of annual tax for	XIII	28(c)
loans: rates	XV	1
public bonds	XI	11(b)
rates, restrictions on	XV	1
state indebtedness	XVI	1
taxes claimed illegal, recovery of tax paid and interest	XIII	32
INTERPRETER		
criminal proceedings	I	14
INTIMIDATION		
legislator's vote, felony to influence	IV	15
INVESTIGATIONS		
public utilities commission	XII	2
INVESTMENTS		
definition	XIII	28(c)
insurers, as exception to basis of annual tax for	XIII	28(c)
public moneys	XI	11(b)
public pension or retirement fund	XVI	17
INVOLUNTARY SERVITUDE		
prohibited except for crime	I	6
IRRIGATION DISTRICTS		
eminent domain proceedings for reservoir purposes	I	14
foreign or domestic corporations, acquisition of stock of, re water rights, etc.	XVI	6

J

JAILS		
inmate labor	XIV	5
JEOPARDY, DOUBLE	I	15, 24
JOURNAL, LEGISLATIVE. See LEGISLATURE—*journals.*		
JUDGES AND JUSTICES. See also COURTS; JUDICIAL OFFICERS.		
admonishment, private	VI	18(c)
appeal, courts of—		
number and presiding justice	VI	3
appellate jurisdiction	VI	11
assignment to other courts	VI	6, 15
bar, state, membership exception	VI	9
bar, state, membership preceding selection	VI	15

JUDGES AND JUSTICES—continued	*Article*	*Section*
censure	VI	18(c), 18(e)
disqualification	VI	18(a)
election	VI	16
eligibility	VI	15
employment, public, ineligibility for	VI	17
impeachment, subject to	IV	18(b)
incumbent not on ballot	VI	16(b)
judicial appointments, commission on: membership	VI	7
judicial council: membership	VI	6
judicial performance, commission on: membership	VI	8
justice courts—		
bar, state, membership preceding selection	VI	15.5
eligibility	VI	15.5
number, qualifications, and compensation	VI	5(a)
law, practice of—		
prohibition	VI	17
suspension	VI	18(d)
leave of absence re declaration of candidacy for public office	VI	17
municipal courts—		
number, qualifications, and compensation	VI	5(a)
nomination by governor	VI	16
original jurisdiction	VI	10
public office, other, ineligibility for	VI	17
recall	II	14(b)
removal	VI	18(a), 18(b), 18(c), 18(d), 18(e)
reports to judicial council	VI	6
reproval, public	VI	18(f)
retirement—		
age or disability	VI	18(a), 18(c), 18(d), 18(e), 20
allowance	VII	11
compulsory	VI	18(c), 18(d)
salaries	III	4(b)
	VI	18(a), 18(b), 19
superior courts—		
number	VI	4
supreme court—		
chief justice—		
appellate court acting presiding justice, selection of	VI	3
assignment of judges	VI	15
functions	VI	2
selection	VI	2
number	VI	3
suspension—		
law, practice of	VI	18(d)
office	VI	18(b)
teaching position, acceptance of	VI	17
temporary	VI	21
term of office	VI	16
vacancies	VI	16
JUDGMENTS		
courts of appeal: concurrence of 2 judges	VI	3
death judgment, appellate jurisdiction re	VI	11
interest rate	XV	1
libelous or slanderous campaign statement	VII	10
supreme court: concurrence of 4 judges	VI	2
when set aside	VI	13
JUDICIAL APPOINTMENTS, COMMISSION ON		
courts of appeal judges, nominated or appointed, confirmation of	VI	16(d)
membership	VI	7
supreme court justices, nominated or appointed, confirmation of	VI	16(d)

	Article	*Section*
JUDICIAL COUNCIL		
administrative director of courts, appointment of	VI	6
composition of	VI	6
courts of appeal decisions review by supreme court, rules re	VI	12
governor and legislature, recommendations to	VI	6
judges, rules re censure, removal, or retirement of	VI	18(h)
recommendations of	VI	6
JUDICIAL DISTRICTS		
courts of appeal	VI	3
justice court districts	VI	5(a)
municipal court districts	VI	5(a)
JUDICIAL OFFICERS		
fees or fines for own use prohibited	VI	17
retirement service credit from teaching positions	VI	17
JUDICIAL OFFICES		
nonpartisan	II	6
JUDICIAL PERFORMANCE, COMMISSION ON		
composition of	VI	8(a)
recommendations and proceedings for censure, removal or retirement of judges	VI	18(a), 18(b), 18(c), 18(e), 18(f), 18(g)
term of office, member's	VI	8
vacancies on, filling of	VI	8(a)
JUDICIAL POWER		
courts, vested in	VI	1
separation of powers	III	3
JURISDICTION		
appellate jurisdiction	VI	11
courts of appeal	VI	10
English language as official language of California: suits re enforcement	III	6
justice courts	VI	5(a)
municipal courts	VI	5(a)
original jurisdiction	VI	10
public school system, schools, colleges, etc., under	IX	6
superior courts	VI	10, 11
supreme court	VI	10, 11, 12
transfer of cause	VI	12
JURY		
grand juries, yearly summoning of	I	23
jurors, number of, in civil or criminal causes	I	16
trial by, right to	I	16
verdicts rendered in civil causes by three-fourths of jury	I	16
JUSTICE COURTS. See also COURTS.		
court of record	VI	1
district of less than 40,000 residents, court for each	VI	5(a)
judges. See JUDGES AND JUSTICES.		
judicial power vested in	VI	1
jurisdiction, prescribing of	VI	5(a)
jurors, number of, in civil causes	I	16
officers and employees, providing for	VI	5(a)
JUSTICES. See JUDGES AND JUSTICES.		

K

KINDERGARTEN SCHOOLS. See SCHOOLS—*kindergartens.*

L

LABOR		
inmate labor	XIV	5
mechanics' liens, enforcement of	XIV	3
public works, 8-hour day on	XIV	2

	Article	*Section*
LANDS. See also PROPERTY; REAL PROPERTY.		
acquisition of interest in, conformance to state water laws requisite to..	X	7
assessment of lands separate from improvements	XIII	13
fishing rights, reserved	I	25
homesteads and other property, protection from forced sale of	XX	1.5
private, public aid in clearing debris, etc., from	XVI	6
riparian owners	X	2
tax exemption on debts secured by	XIII	3(n)
LANGUAGE		
English as official language of California	III	6
LAWS. See CONSTITUTION, CALIFORNIA; STATUTES.		
LEASES		
pollution control facilities, environmental	XVI	14
LEAVES OF ABSENCE		
court of record judges: declaration of candidacy for public office	VI	17
LEGAL COUNSEL		
criminal prosecutions	I	15, 24
LEGISLATIVE BILLS. See LEGISLATURE—*bills.*		
LEGISLATIVE COUNSEL		
2 deputies or employees of, civil service exemption for	VII	4(m)
LEGISLATIVE POWER		
separation of powers	III	3
vested in senate and assembly	IV	1
LEGISLATURE. See also ASSEMBLY; SENATE.		
academy of sciences, California: tax exemption	XIII	4(c)
adjournment or recess—		
adjournment sine die	IV	3(a)
day to day	IV	7(a)
statutes, effect upon	IV	8(c)
10 days, recesses for more than: consent of both houses	IV	7(d)
aged aid, encumbrances on property re, release, etc., of	XVI	13
aid, grant of, to institutions conducted for support, etc., of minor orphans, etc.	XVI	3
alcoholic beverage control, powers and duties re	XX	22
assessment appeals boards, county, qualifications, membership, etc., on, providing for	XIII	16
banks, taxation of	XIII	27
bills—		
amended, printing before passage of	IV	8(b)
amendment by title prohibited	IV	9
appropriation—		
budget bill passage before	IV	12(c)
one item only	IV	12(d)
restrictions on	IV	12(c), 12(d)
budget—		
appropriation bills, passage before	IV	12(c)
emergency bill passage before	IV	12(c)
governor, item veto by	IV	10(e)
introduction	IV	8(a), 12(c)
passage by June 15 of each year	IV	12(c)
introduction, hearing and action on 31st day after	IV	8(a)
presentation to governor	IV	10(d)
printing before passage	IV	8(b)
reading by title on 3 days	IV	8(b)
statutes must be enacted by	IV	8(b)
30-day waiting period, suspension of	IV	8(a)
title	IV	9
urgency—		
effective date	IV	8(c)
vote requirements. See subheading, *votes and voting.*		
bingo games, authorization of cities and counties to provide for	IV	19(c)
blind, aid to, granting of	XVI	3
boards of education, county or state, election or appointment of	IX	7
boards of education, joint county, for two or more counties, election of.	IX	7

LEGISLATURE—continued	*Article*	*Section*
bonds—		
amendment or repeal of provisions re	XVI	2(b)
energy, financing of facilities for alternative sources of	XVI	14.5
environmental pollution control facilities, acquisition, etc., of	XVI	14
funds created for proceeds from, abolishment, etc., of	XVI	1.5
general obligation bond proceeds fund: creation, accounts, etc.	XVI	1.5
interest, principal, registration, etc.	XI	11(b)
interest rate, maximum, on unsold, raising of	XVI	1
limitations	XIII	20
public bonds	XI	11(b)
school districts, issuance by	IX	6½
budgets, state agency: control	IV	12(e)
casinos, authorization of, prohibited	IV	19(e)
caucus	IV	7(c)
churches, aid to, prohibited	XVI	5
cities—		
claims against, procedure re	XI	12
formation of, procedure for	XI	2(a)
powers, distribution between cities and legislature of	XI	13
powers of, providing for	XI	2(a)
sales or use tax revenues, apportionment of	XIII	29
city and county—		
sales or use tax revenues, apportionment of	XIII	29
civil service veterans' preference, providing for	VII	6(a)
claims of state agencies	IV	12(e)
Cogswell polytechnical college tax exemption	XIII	4(c)
committees—		
bill introduction: hearing or action after 31st day	IV	8(a)
officers and employees of, civil service exemption for	VII	4(a)
proceedings: open and public	IV	7(c)
selection of	IV	11
common carriers, regulation of	XII	3
compensation—		
expenses, living and travel	IV	4
grant of extra compensation or extra allowance, prohibited	IV	17
members	IV	4
salary adjustments	IV	4
congressional districts, boundary lines of	XXI	1
constitution, amendments to: naming of individuals or private corporations prohibited	II	12
constitution, amendments to, or withdrawal of amendments, procedure re	XVIII	1
constitutional convention, calling of	XVIII	2
convening in case of war- or enemy-caused disaster	IV	21(c)
corporations—		
common carriers, regulation of	XII	3
stock subscription, authorization of, prohibited	XVI	6
taxation of	XIII	27
counties—		
appeals boards, assessment, creation, etc., of, providing for	XIII	16
assessors, elected, provision for	XI	1(b)
boundary change procedure, providing of	XI	1(a)
claims against, procedure re	XI	12
consolidation of, providing for	XI	1(a)
district attorneys, elected, provision for	XI	1(b)
education, boards of—		
joint boards for two or more counties, providing for election of	IX	7
formation of, providing for	XI	1(a)
governing bodies, election and powers of	XI	1(b)
municipal functions, performance of, providing for	XI	8(a)
powers, distribution between counties and legislature of	XI	13
sales or use tax revenues, apportionment of	XIII	29
sheriffs, elected, provision for	XI	1(b)
superintendents of schools—		
election by two or more counties	IX	3

	Article	*Section*
LEGISLATURE—continued		
counties—continued		
superintendents of schools——continued		
qualifications, prescribing of	IX	3.1(a)
counties or cities, distribution of powers between legislature and	XI	13
court judgments, interest rate upon	XV	1
courts of appeal—		
division of state into districts containing	VI	3
elective terms, first, of new district or division, providing of	VI	16(a)
evidence, taking of, when jury trial waived, permission for	VI	11
judges, compensation for, prescribing of	VI	19
opinions, publication of, providing for	VI	14
retirement of judges with allowances, providing of	VI	20
credit, state, etc., giving or lending of, prohibited	XVI	6
debts or liabilities, state, creation of, limitation on	XVI	1
depositions: provisions for taking in criminal actions	I	15
education, legislative policy re encouraging promotion of	IX	1
elections—		
disqualification of mentally incompetent, etc., electors	II	4
free elections and registration, providing for	II	3
partisan offices, providing for elections for	II	5
practices, improper, prohibition of	II	4
presidential primary, open, providing for	II	5
recall elections, providing for	II	16
residence re, defining of	II	3
vacancies, calling elections to fill	IV	2(d)
eminent domain—		
public utilities, exercise against, compensation re	XII	5
employees, staff, etc.—		
civil service exemption	VII	4(a)
classification or compensation	IV	7(c)
compensation	IV	7.5
limitations on number and services	IV	1.5
minimum wages and general welfare, providing for	XIV	1
safety and security	IV	7(c)
English language as official language of California, enforcement of	III	6
equalization, state board of—		
reapportionment of districts	XXI	1
executive assignment and reorganization by governor, provision by statute for	V	6
expenditures, total aggregate	IV	7.5
fish and game districts, providing of	IV	20(a)
fishing seasons, etc., providing of	I	25
franchises—		
laws permitting leasing or alienation to relieve franchise of liabilities prohibited	XX	4
taxation of	XIII	27
gift of public money, etc., prohibited	XVI	6
goals and objectives: report	IV	22
governor, office of, vacancy in: order of succession	V	10
governor's report re condition of state and recommendations	V	3
highway bond payments, use of motor vehicle revenues for	XIX	5
homesteads, forced sale of, protection from	XX	1.5
horse racing, regulation of	IV	19(b)
hospital construction, funds for, authorization of	XVI	3
hospitals, loans to, guarantee, etc., of	XVI	4
Huntington, Henry E., library and art gallery tax exemption	XIII	4(c)
impeachment, procedure re	IV	18
initiative. See also INITIATIVE.		
cities or counties, providing for exercise of initiative powers by electors in	II	11
manner petitions circulated, etc., providing of	II	10(e)
reserve powers of people	IV	1
statutes, initiative, amendment or repeal of	II	10(c)
interest rate exempted classes, authorization of	XV	1
interest rate on judgments	XV	1

LEGISLATURE—continued	*Article*	*Section*
journals—		
bills—		
passage	IV	8(b)
reading by title on 3 days: suspension of rule	IV	8(b)
constitution, amendments to, or withdrawal of amendments	XVIII	1
constitutional convention, vote calling of	XVIII	2
each house shall keep and publish	IV	7(b)
judges, election of: providing unopposed incumbent's name not appear on the ballot	VI	16(b)
judges of courts of record, salary increases, etc., for	III	4(b)
judicial council, appointments to	VI	6
justice courts—		
judges, qualifications, etc., of	VI	5(a)
jurors, number of, in civil causes	I	16
organization and jurisdiction, prescribing, etc., of	VI	5(a)
legislative authority vested in	IV	1
lotteries, authorization of, prohibited	IV	19(a)
lottery, California state: authorization of establishment	IV	19(d)
mass transit guideways, public: bond payments: use of motor vehicle revenues	XIX	4
mechanical arts, California school of, tax exemption	XIII	4(c)
mechanics' liens, providing for enforcement of	XIV	3
members—		
absent members, compelling attendance of	IV	7(a)
allocation board, state, rights and duties re	XVI	1
civil process, not subject to	IV	14
compensation—		
adjustments	IV	4
aggregate expenditures: limitation	IV	7.5
appearance before state government board or agency	IV	5(d)
establishment	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
expenses, living and travel	IV	4(b)
prohibited activities	IV	5(d)
conflict of interest	IV	4(a), 5(c), 5(f)
	V	14(a)
districts	IV	6
earned income	IV	4(a)
	V	14(a)
election—		
approval by house	IV	5(a)
date of	IV	2(b)
place of election same for senators and assembly members	IV	2(b)
residency	IV	2(c)
terms	IV	2(a)
vacancies	IV	2(d)
employment or office, other state, ineligibility for	IV	13
expenses	IV	4, 7.5
expulsion by two-thirds vote	IV	5(a)
gifts: prohibition re acceptance	IV	5(c)
honorarium: prohibition re acceptance	IV	5(b)
incumbency, powers of: limitations	IV	1.5
influencing vote of	IV	15
lobbying after leaving office	IV	5(e)
mileage	IV	4
oath of office	XX	3
office, vacant, when war- or enemy-caused disaster, filling of	IV	21(a)
qualifications—		
approval by house	IV	5(a)
residence and citizenship	IV	2(c)
recall of	II	14(b)

LEGISLATURE—continued	*Article*	*Section*
members—continued		
retirement—		
allowance	VII	11
benefits, limitations on	IV	1.5, 4(c), 4.5
federal social security, participation in	IV	4.5
terms, reductions in: effect on benefits, etc.	XX	6
safety and security	IV	7(c)
terms, number of	IV	1.5, 2
	XX	7
minimum wages, providing for	XIV	1
motor vehicle revenues, allocation of	XIX	3
municipal courts—		
judges, compensation for, prescribing of	VI	19
judges, qualifications, etc., of	VI	5(a)
jurors, number of, in civil causes	I	16
officers, appointment of, providing for	VI	22
organization and jurisdiction, prescribing, etc., of	VI	5(a)
retirement of judges with allowances, providing of	VI	20
navigable waters, state, attainable access to	X	4
officers—		
civil service exemption	VII	4(a)
each house to choose own	IV	7(a)
oath of office	XX	3
officers and employees, public: appointment, dismissal, etc.	IV	7(c)
physically handicapped persons, aid to, granting of	XVI	3
private control, etc., of county or municipal improvements, etc., delegation of, prohibited	XI	11(a)
privileges and immunities, any special, revocation, etc., of	I	7(b)
proceedings: open and public	IV	7(c)
property, forced sale of, protection from	XX	1.5
public indebtedness	XI	11(b)
public moneys' deposits in banks, savings and loan associations, credit unions, or industrial loan companies, providing for	XI	11(b)
public pension or retirement system—		
retirement board—		
investments, duty to prohibit certain	XVI	17(g)
members, prohibited actions re	XVI	17(f)
public proceedings	IV	7(c)
public utilities commission—		
additional powers, conferring of	XII	5
eminent domain proceedings, compensation re	XII	5
plenary power conferred upon	XII	5
removal of commissioners by two-thirds vote	XII	1
public utilities control and regulation, conferring of	XII	5
public utilities, eminent domain proceedings re, compensation in	XII	5
public utilities subject to control by	XII	3
public works, 8-hour day on, enforcement of	XIV	2
quorum, compelling attendance for	IV	7(a)
reapportionment of senatorial, assembly, congressional, and board of equalization districts	XXI	1
recall of local officers	II	19
recall petitions, etc., providing for	II	16
recess—		
10 days, recesses for more than: consent of both houses	IV	7(d)
referendum. See also REFERENDUM.		
cities or counties, providing for exercise of referendum powers by electors in	II	11
manner petitions circulated, etc., providing of	II	10(e)
reserve powers of people	IV	1
statutes, referendum, amendment or repeal of	II	10(c)
relief, administration of, providing for	XVI	11
religious sects, aid to, prohibited	XVI	5
reserve fund, prudent state: establishment	XIII B	5.5

LEGISLATURE—continued	*Article*	*Section*
resolutions. See also RESOLUTIONS.		
committee selection	IV	11
rules, adoption of	IV	7(a)
sales or use tax revenues, local, contracts re apportionment of, authorization for	XIII	29
schools—		
average daily attendance, amount of	IX	6
bond issuance by, prescribing of	IX	6½
common schools, providing system of	IX	5
district incorporation and organization, providing for	IX	14
districts, classification of	IX	14
governing boards, district, initiation, etc., of programs, etc., by, authorization for	IX	14
state school fund apportionments	IX	6
support of, providing for	IX	5
tax rates, authorization of	XIII	21
sectarian purposes, aid for, prohibited	XVI	5
sessions—		
adjournment sine die	IV	3(a)
closed sessions	IV	7(c)
regular	IV	3(a)
special	IV	3(b)
staff. See subheading, *employees, staff, etc.*		
statutes. See STATUTES.		
subventions—		
mandated new programs or higher levels of service	XIII B	6
property tax homeowners' exemption, revenue losses due to	XIII	25
property tax payment postponement on residences of persons age 62 years or older or disabled, revenue losses due to	XIII	8.5
subversives, disqualification of, re office or employment: enforcement	VII	9(a)
superior courts—		
judges—		
compensation, prescribing of	VI	19
number, prescribing of	VI	4
retirement allowances, providing of	VI	20
service in more than one court, providing for	VI	4
officers and employees of, providing for	VI	4
officers, appointment of, providing for	VI	22
supreme court—		
justices, compensation for, prescribing of	VI	19
officers, appointment of, providing for	VI	22
opinions, publication of, providing for	VI	14
retirement of justices with allowances, providing of	VI	20
tax lien cessation or presumption of payment of taxes after 30 years	XIII	30
taxation—		
banks	XIII	27
boundaries, state, changes, etc., property involved in	XIII	23
charitable purposes, exemption re property used exclusively for	XIII	4(b), 5
church property parking lots as tax exempt, providing for	XIII	4(d)
corporations	XIII	27
disaster areas, assessment or reassessment of taxable property in, authorization of	XIII	15
forest trees, immature, taxation or exemption of, provisions re	XIII	3(j)
franchises	XIII	27
historical significance, promoting preservation of property of	XIII	8
homeowners' property tax exemption, increase or decrease of	XIII	3(k)
homeowners' property tax exemption, reimbursement of local government for revenue losses re	XIII	25
hospital purposes, nonprofit, exemption of property used exclusively for	XIII	4(b), 5
indebtedness, evidences of, providing for	XIII	2
interest, providing for	XIII	2
legislation carrying out constitutional provisions	XIII	33
local government, imposition of taxes upon, prohibited	XIII	24
motor vehicle fees and taxes, revenues from, expenditures re	XIX	3
motor vehicle fuel taxes, revenues from, expenditures re	XIX	3

LEGISLATURE—continued	*Article*	*Section*
taxation—continued		
motor vehicle revenues: allocation	XIX	3
ocean marine insurers, assessment, levy, etc., re, providing for	XIII	28(g)
postponement of tax payments on residences of persons 62 years or older or disabled	XIII	8.5
property on secured and unsecured rolls, adjustment of rate to maintain equality between	XIII	12(b)
property, personal, classification or exemption of, providing for	XIII	2
property tax rate maximums, establishment of	XIII	20
redevelopment project taxable property	XVI	16
religious purposes, exemption of property used exclusively for	XIII	4(b), 5
renters, benefits to, increase of	XIII	3(k)
single-family dwellings, valuation of	XIII	9
solar energy system, active, construction or addition of: exclusion	XIII A	2(c)
stock, providing for taxation of	XIII	2
subversive persons or groups, exemption for, prohibited	VII	9(a)
tidelands not used for navigable purposes, sale of	X	3
vacancies, calling elections to fill	IV	2(d)
vacancies in constitutional offices, confirmation of governor's appointments to fill	V	5(b)
votes and voting—		
earned income, effect on	IV	4(a)
	V	14(a)
felony to influence by bribery, etc.	IV	15
legislators, limitations on	IV	4(a), 5(d)
	V	14(a)
majority vote required—		
alcoholic beverage control appeals board member, removal of	XX	22
alcoholic beverage control, director of, removal of	XX	22
banks, act imposing tax on	XIII	27
bill passage	IV	8(b)
corporations, act imposing tax on	XIII	27
fish and game commission member, removal of	IV	20(b)
franchises, act imposing tax on	XIII	27
insurers, rates of taxes imposed upon	XIII	28(i)
rollcall vote—		
bill consideration before 31st day	IV	8(a)
bill passage	IV	8(b)
constitution, amendments to, or withdrawal of amendments	XVIII	1
constitutional convention, calling of	XVIII	2
impeachment convictions	IV	18(a)
journal, entered in	IV	7(b)
3 day reading of bills by title, suspension of	IV	8(b)
urgency statutes	IV	8(d)
veto override	IV	10(a)
⅔ vote required—		
appropriations, general fund	IV	12(d)
bills—		
3 day reading by title, suspension of	IV	8(b)
urgency clause	IV	8(d)
veto override	IV	10(a)
bonds, general obligation, raising maximum interest rate on	XVI	1
constitution, amendments to, proposal of	XVIII	1
constitutional convention, calling of	XVIII	2
debts or liabilities, state, law to authorize	XVI	1
delta protection act, statutes affecting	X A	4
expulsion of member	IV	5(a)
fish and wildlife protection, statutes affecting	X A	2
impeachment convictions	IV	18(a)
personnel board, state: removal of member	VII	2(a)
property, personal, classification or exemption re assessment and taxation	XIII	2
public utilities commission members, removal of	XII	1
Sacramento-San Joaquin Delta, existing water rights in, statutes affecting	X A	2

	Article	Section
LEGISLATURE—continued		
votes and voting—continued		
⅔ vote required—continued		
taxes, changes in state: rate increases or computation methods	XIII A	3
travel and living expenses of members	IV	4(b)
urgency statutes	IV	8(d)
veto override	IV	10(a)
water resources development system, state, statutes affecting operation of	X A	2
wild and scenic rivers system, state, initiative statute affecting water export from	X A	3
¾ vote required—		
bill consideration before 31st day	IV	8(a)
war- or enemy-caused disaster, providing for needs resulting from	IV	21
water, beneficial use, etc., of: enactment of laws in furtherance of policy	X	2
workers' compensation disputes, settlement of, providing for	XIV	4
workers' compensation, system of, creation, etc., of	XIV	4
LELAND STANFORD JUNIOR UNIVERSITY. See STANFORD UNIVERSITY, LELAND, JR.		
LIABILITY		
counties, city and county, etc.: tort liability or public liability losses: insurance pooling arrangement	XVI	6
libelous or slanderous campaign statement	VII	10
LIBEL		
elected officials campaign statement	VII	10
LIBRARIES		
Huntington, Henry E., library and art gallery—		
rights, powers, privileges, etc.	XX	2
taxation, exemption from	XIII	4(c)
public—		
property taxation, exemption from	XIII	3(d)
LICENSES, PERMITS, ETC.		
alcoholic beverages	XX	22
motor vehicles. See MOTOR VEHICLES.		
LIENS		
mechanics' liens. See MECHANICS' LIENS.		
tax lien cessation or presumption of payment of taxes after 30 years	XIII	30
LIEUTENANT GOVERNOR		
compensation	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
	V	14(a), 14(d), 14(e)
election of	V	11
employees of, civil service exemption for	VII	4(f)
gifts: restrictions	V	14(c)
governor, succession when vacancy in office of	V	10
honorarium: prohibition	V	14(b)
lobbying	V	14(e)
office of, qualifications for	V	9
president of senate	V	9
recall duties re recall of governor	II	17
term of office	V	11
University of California, ex officio regent of the	IX	9(a)
vacancy in office of, appointment to fill	V	5(b)
vote in case of tie, casting of	V	9
LIGHT AND POWER		
municipal corporations, operation, etc., of public works by	XI	9(a)
regulation and control as public utility	XII	3
LIQUOR CONTROL. See ALCOHOLIC BEVERAGES.		
LOANS		
credit, public, lending of, prohibited	XVI	6
hospitals, hospital facilities, etc., guaranteed for	XVI	4
motor vehicle revenues to state general fund	XIX	6

	Article	*Section*
LOANS—continued		
personal, family, or household purposes: interest rates	XV	1
real property purchase, construction or improvement: interest rates	XV	1
LOBBYING		
legislator who has left office	IV	5(e)
state officer, secretary of an agency or director of a department appointed by the governor	V	14(e)
LOBBYISTS		
citizens compensation commission, California: prohibited membership	III	8(b)
legislator's earned income from	IV	4(a)
	V	14(a), 14(d)
LOCAL GOVERNMENT		
bonding limitations	XIII	20
	XIII A	1(b)
recall of officers	II	19
subventions: use	XIII	24
tax imposition by legislature, prohibited	XIII	24
taxation—		
bonds: interest exempt from income	XIII	26
homeowners' property tax exemption revenue losses: reimbursement	XIII	25
property exempt from	XIII	3(b)
property tax rate maximums	XIII	20
	XIII A	1(b)
public safety services, imposition for	XIII	35
two or more counties, tax levy when boundaries include all or part of: voter approval	XI	14
LOTTERIES		
California state lottery	IV	19(d)
prohibition	IV	19(a)
LOW RENT HOUSING PROJECTS		
constitutionality of article re	XXXIV	3
legislation to facilitate operation of article re	XXXIV	2
persons of low income, definition of	XXXIV	1
public body, state, definition of	XXXIV	1
scope of article re	XXXIV	4

M

MALFEASANCE IN OFFICE		
exclusion from office	VII	8(b)
MANDAMUS		
jurisdiction, original	VI	10
MANDATORY AND PROHIBITORY		
constitutional provisions	I	26
MANUFACTURE		
alcoholic beverages	XX	22
MARINE CORPS. See MILITARY, NAVAL, ETC., SERVICE; VETERANS.		
MARINE RESOURCES		
protection	X B	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16
MARRIAGE		
property, separate	I	21
MASS TRANSIT GUIDEWAYS, PUBLIC		
motor vehicle fees and taxes: use	XIX	2(b)
motor vehicle fuel taxes, use of, re planning, construction, etc.	XIX	1(b)
motor vehicle revenues, allocated, use for: voter approval	XIX	4
planning and research	XIX	1(b), 4
MECHANICAL ARTS, CALIFORNIA SCHOOL OF		
taxation, exemption from	XIII	4(c)
MECHANICS		
public works, 8-hour day on	XIV	2

	Article	*Section*
MECHANICS' LIENS		
enforcement of	XIV	3
MEETINGS		
citizens compensation commission, California	III	8(f)
University of California, regents of the	IX	9(g)
MENTALLY INCOMPETENT PERSONS		
electors, prohibition against exercising privilege of	II	4
MERIT SYSTEM		
civil service	VII	1(b)
MILITARY. See also MILITARY, NAVAL, ETC., SERVICE; MILITIA; VETERANS.		
army, standing, shall not be kept	I	5
civil office, limitations on holding of	VII	7
powers subordinate to civil	I	5
quartering of	I	5
MILITARY, NAVAL, ETC., SERVICE		
veterans, property of, tax exemption for	XIII	3(o), 3(p), 3(q), 3(r), 3.5, 4(a)
MILITIA		
governor as commander in chief of	V	7
members: exemption from civil service	VII	4(k)
statute, provision by	V	7
MINES, MINERALS, ETC.		
golf courses, nonprofit, assessor's consideration in assessing	XIII	10
MINIMUM WAGES		
legislature's providing for	XIV	1
MINORS. See CHILDREN.		
MISCARRIAGE OF JUSTICE		
new trial, granting of	VI	13
MONEY. See also APPROPRIATIONS; FUNDS; REVENUES, STATE.		
depositories for public moneys	XI	11(b)
gift of public money, prohibited	XVI	6
institutions not state managed or controlled, appropriations for purpose or benefit of	XVI	3
schools, sectarian or denominational, public money for, prohibited	IX XVI	8 5
MORTGAGES		
taxation	XIII	2
MOTOR VEHICLE FUEL TAXES. See TAXES—*motor vehicle fuel.*		
MOTOR VEHICLES		
air pollution	XIX	2(a)
fees and taxes—		
administration and enforcement purposes, use for	XIX	2(a)
allocation of	XIX	3
fuel taxes. See TAXES—*motor vehicle fuel.*		
legislative acts authorizing use of	XIX	3
license fees: allocation to counties and cities	XI	15
pollution control, use for	XIX	2(a)
property acquired by use of revenues from	XIX	8, 9
state property purchased with tax revenues, transfer of surplus	XIX	9
street and highway purposes, use for	XIX	2
noise emissions	XIX	2(a)
MUNICIPAL CORPORATIONS. See also CITIES; LOCAL GOVERNMENT.		
churches, aid to, prohibited	XVI	5
private control, etc., of municipal functions prohibited	XI	11(a)
property of—		
grant or donation for any religious sect, etc., prohibited	XVI	5
public utilities—		
establishment, purchase, etc., of, authorization for	XI	9(a)
regulations re	XI	9(b)
service outside boundaries, furnishing of	XI	9(a)
religious sects, aid to, prohibited	XVI	5
sectarian purposes, aid for, prohibited	XVI	5
tideland sales to	X	3

	Article	*Section*
MUNICIPAL COURTS. See also COURTS.		
commissioners, appointment of	VI	22
court of record	VI	1
district of more than 40,000 residents, court for each	VI	5(a)
judges. See JUDGES AND JUSTICES.		
judicial power vested in	VI	1
jurisdiction, prescribing of	VI	5(a)
jurors, number of, in civil causes	I	16
officers and employees, providing for	VI	5(a)
officers of, appointment of	VI	22
San Diego County, cities in	VI	5(b)
MURDER		
parole of convicted murderer: review by governor	V	8(b)
MUSEUMS		
academy of sciences, California: exemption from taxation	XIII	4(c)
free museums: property tax exemptions	XIII	3(d)

N

NATIONAL OR ETHNIC ORIGIN		
business, etc., disqualification because of national or ethnic origin, prohibited	I	8
NAVIGABLE WATERS		
access, attainable, for the people	X	4
eminent domain, taking of frontages by	X	1
free navigation	X	4
frontage or tidal lands of, prohibition against exclusion of right of way, etc., to	X	4
NAVY. See MILITARY, NAVAL, ETC., SERVICE; VETERANS.		
NETS, FISH. See FISH AND GAME.		
NEW TRIALS		
miscarriage of justice	VI	13
NEWS MEDIA. See PRESS; PUBLICATIONS.		
NONPROFIT COOPERATIVE ASSOCIATIONS. See also ASSOCIATIONS.		
loans: interest rates	XV	1
NONPROFIT CORPORATIONS		
hospital construction, etc., loans for, guarantee, etc., of	XVI	4
hospital construction, state money for	XVI	3
NOTES		
taxation, etc.	XIII	2

O

OATHS OF OFFICE		
public officers and employees	XX	3
OFFENSES		
prosecution on information or indictment	I	14, 14.1
OFFICE		
bribery, disqualification for	VII	8(a)
bribery, etc., convictions, exclusion from office for	VII	8(b)
county and city, nonpartisan	II	6
crimes, exclusion for	VII	8(b)
dual officeholding re civil office of profit prohibited	VII	7
judicial, nonpartisan	II	6
legislature, members of, as ineligible for other state offices or employment	IV	13
libelous or slanderous campaign statement, disqualification or forfeiture for	VII	10
malfeasance in office, exclusion for	VII	8(b)
naming of individual by law or constitutional amendment prohibited	II	12
oath or affirmation of, prescribed	XX	3
overthrow of government, etc., advocation of, as disqualification from holding	VII	9(a)
partisan, primary election for	II	5
removal by impeachment	IV	18(b)
school, nonpartisan	II	6

	Article	*Section*
OFFICE—continued		
subversives, disqualification of	VII	9(a)
terms—		
citizens compensation commission, California, members	III	8(d)
commencement of	II	20
legislators', reduction in: effect on retirement benefits, etc.	XX	6
salary reduction prohibition	III	4(a)
urgency statutes creating or abolishing: prohibition	IV	8(d)
vacancy in, appointment by governor to fill	V	5
war- or enemy-caused disaster, filling of offices during	IV	21(d)
OFFICERS AND EMPLOYEES, PUBLIC. See also CALIFORNIA, STATE OF—*officers.*		
appointment, dismissal, etc.	IV	7(c)
bribery, disqualification for	VII	8(a)
bribery, etc., convictions, exclusion from office for	VII	8(b)
cities—		
charter provisions re	XI	5(b)
claims against, procedure re	XI	12
compensation	XI	5(b)
compensation or allowance, extra, prohibited	IV	17
	XI	10(a)
oath or affirmation of office	XX	3
subversives, disqualification of	VII	9(a)
civil service, inclusion in	VII	1(a)
compensation or allowance, grant of extra, prohibited	IV	17
	XI	10(a)
constitutional officers. See CONSTITUTIONAL OFFICERS.		
counties—		
charter provisions re	XI	4(c), 4(e)
claims against, procedure re	XI	12
compensation	XI	1(b)
compensation or allowance, extra, prohibited	IV	17
	XI	10(a)
elected officers	XI	1(b), 4(a), 4(c)
oath or affirmation of office	XX	3
subversives, disqualification of	VII	9(a)
crimes, exclusion for	VII	8(b)
English language as official language of California: preservation and enhancement	III	6
judicial—		
fees or fines for own use: prohibition	VI	17
oath or affirmation of office	XX	3
retirement service credit from teaching positions	VI	17
libelous campaign statement, disqualification or forfeiture of office for	VII	10
malfeasance in office, exclusion for	VII	8(b)
oath or affirmation of office	XX	3
overthrow of government, etc., advocation of, as disqualification	VII	9(a)
pension funds: investment	XVI	17
property qualification as requirement for holding office: prohibition	I	22
recall of	II	13, 14, 15, 16, 17, 18, 19
retirement funds: investment	XVI	17
slanderous campaign statement, disqualification or forfeiture of office for	VII	10
state officers—		
bribery, disqualification for	VII	8(a)
budget information	IV	12(b)
compensation	III	8
	V	14(a), 14(d), 14(e)
definition	III	8(*l*)
deputy or employees of, civil service exemption for	VII	4(c)
election, time of	V	11
executive assignments by governor, authorization for	V	6
executive officers: governor may require information re duties	V	4

	Article	Section
OFFICERS AND EMPLOYEES, PUBLIC—continued		
state officers—continued		
exemption from civil service	VII	4(c), 4(f)
free, etc., transportation passes for, prohibited	XII	7
impeachment, subject to	IV	18(b)
lobbying	V	14(e)
oath or affirmation of office	XX	3
overthrow of government, etc., advocation of, as disqualification	VII	9(a)
recall: expenses of officer not recalled	II	18
recall procedure	II	14(a)
relief, administration of	XVI	11
salaries, reductions in, prohibited	III	4(a)
terms	V	11
	XX	7
vacancies in office, appointments to fill	V	5
subversives, disqualification of	VII	9(a)
superintendent of public instruction, election, etc., of	IX	2
OLD AGE SECURITY AND AID. See AGED AID.		
OPEN SPACE LANDS		
assessment practices consistent with restriction and use	XIII	8
preservation, etc., of, policy re	XIII	8
ORCHARDS		
tax exemption: fruit and nut trees under four years	XIII	3(i)
ORDINANCES		
cities—		
charter provisions re	XI	5(a)
enforcement, etc., authorization for	XI	7
counties—		
enforcement, etc., authorization for	XI	7
governing bodies, compensation for	XI	1(b)
officers, compensation for	XI	1(b)
replacement dwelling: transfer of base year value to another county	XIII A	2(a)
seismic safety	XIII A	2(a)

P

PAPERS		
searches and seizures, unreasonable, prohibited	I	13
PARDONS		
governor, grant by	V	8(a)
PARKING AUTHORITIES		
facilities, public, additional security re cost of	XVI	15
PARKING FACILITIES, PUBLIC		
financing	XVI	15
PARKING LOTS		
religious worship, automobile parking for: tax exempt real property	XIII	4(d)
PARKS AND RECREATION, DEPARTMENT OF		
surplus state property transfer to	XIX	9
PAROLE		
governor's review of parole of convicted murderer	V	8(b)
PAWNBROKERS		
loans: interest rates	XV	1
PENSIONS		
federal pensions for the aged, authorization for state co-operation re	XVI	10
public employees' retirement system. See PUBLIC EMPLOYEES' RETIREMENT SYSTEM.		
public pension funds: investment	XVI	17
PEOPLE'S RIGHTS. See RIGHTS, PEOPLE'S.		
PERSONAL PROPERTY. See also PROPERTY.		
assessment, levy, and collection of taxes on	XIII	2
brokers: loans: interest rates	XV	1
classifications and exemptions re assessment and taxation	XIII	2
householder's exemption	XIII	3(m)
tax rate when unsecured, etc.	XIII	12
taxes on, ratio of total appropriations raised by	XIII	22
University of California, management and disposition by	IX	9(f)

	Article	Section
PERSONAL PROPERTY BROKERS		
loans: interest rates	XV	1
PERSONNEL ADMINISTRATION, DEPARTMENT OF		
citizens compensation commission, California: staffing, etc.	III	8(k)
PERSONNEL BOARD, STATE. See also CIVIL SERVICE, STATE.		
appointment of	VII	2(a)
classifications, establishment of	VII	3(a)
county, city, etc., work previously performed by: employees' continuation in position under state civil service	VII	6(c)
executive officer, administration of civil service statutes by	VII	3(b)
executive officer, appointment of	VII	2(c)
exempt positions, prior, persons in, continuation of	VII	6(b)
powers and duties	VII	3
presiding officer, election of	VII	2(b)
probationary periods, establishment of	VII	3(a)
PETITION, RIGHT OF		
guaranteed to people	I	3
PETITIONS		
initiative	II	8(b)
recall	II	14, 15, 16
referendum	II	10(e)
	IV	8(c)
right of petition guaranteed to people	I	3
PHYSICALLY HANDICAPPED PERSONS. See also BLIND PERSONS; DISABLED PERSONS.		
aid for	XVI	3
property taxes: replacement dwellings: transfer of base year values	XIII A	2(a)
PIPELINES		
assessment, etc.	XIII	19
POLICE		
city charter provisions re	XI	5(b)
POLLUTION CONTROL FACILITIES, ENVIRONMENTAL		
revenue bond issuance re acquisition, etc.	XVI	14
POLLUTION CONTROL, MOTOR VEHICLE		
motor vehicle fees and taxes: use for enforcement of laws regulating air and noise emissions	XIX	2(a)
POSTMASTER		
civil office, limitations on holding of	VII	7
POWER. See LIGHT AND POWER.		
PRESIDENTIAL PRIMARY, OPEN		
providing of	II	5
PRESS		
freedom of, guaranteed	I	2(a)
liberty of, law may not abridge or restrain	I	2(a)
refusal to disclose information sources, not to be adjudged in contempt for	I	2(b)
PRESUMPTIONS		
tax lien cessation or payment of taxes after 30 years	XIII	30
PRINTING. See also PUBLICATIONS.		
bills, legislative—		
requirements	IV	8(b)
PRISONS		
inmate labor	XIV	5
PRIVACY		
criminal defendant	I	24
inalienable right	I	1
PRIVATE PROPERTY. See PROPERTY.		
PRIVILEGES. See also IMMUNITIES; PRIVILEGES AND IMMUNITIES.		
habeas corpus, writ of	I	11
urgency statute granting special privilege: prohibition	IV	8(d)
PRIVILEGES AND IMMUNITIES. See also IMMUNITIES; PRIVILEGES.		
certain special, may not be granted	I	7(b)
revocation, etc., of any special, by legislature	I	7(b)

	Article	*Section*
PROBABLE CAUSE		
searches and seizures	I	13
PROCESS, CIVIL		
legislative members: immunity	IV	14
PROFESSION		
disqualification because of sex, race, etc., prohibited	I	8
PROHIBITION, WRIT OF		
jurisdiction, original	VI	10
PROPERTY. See also LANDS; PERSONAL PROPERTY; REAL PROPERTY.		
aged aid, encumbrances on property re, release, etc., of	XVI	13
due process of law, no deprivation without	I	7(a)
inalienable right to acquire, etc.	I	1
marriage, property acquisition by gift, will, etc., during, as separate	I	21
marriage, property owned before, as separate	I	21
motor vehicle tax revenues, property purchased with	XIX	8, 9
noncitizens, rights of	I	20
private property, compensation for taking by eminent domain of	I	19
qualifications for electors prohibited	I	22
sale, forced, protection from	XX	1.5
sales or transaction taxes on real property sales prohibited	XIII A	3, 4
state property acquired by expenditure of certain tax revenues, transfer of surplus	XIX	9
taxation. See TAXES.		
PROPERTY TAXATION. See TAXES—*personal property; property.*		
PUBLIC AGENCIES. See also CITIES; CITY AND COUNTY; COUNTIES; LOCAL GOVERNMENT; MUNICIPAL CORPORATIONS; TOWNS AND TOWNSHIPS.		
hospital construction, etc., loans for, guarantee, etc., of	XVI	4
hospital construction, state money for	XVI	3
PUBLIC AID. See AGED AID; BLIND PERSONS; CALIFORNIA, STATE OF.		
PUBLIC CORPORATIONS. See also CORPORATIONS.		
bar, state	VI	9
civil service exempt positions	VII	4(b)
PUBLIC EMPLOYEES' RETIREMENT SYSTEM		
board of administration—		
citizens compensation commission, California: staffing, etc.	III	8(k)
PUBLIC HOUSING PROJECT LAW		
constitutionality of article re	XXXIV	3
low rent housing project, definition of	XXXIV	1
persons of low income, definition of	XXXIV	1
public body, state, definition of	XXXIV	1
scope of article re	XXXIV	4
PUBLIC IMPROVEMENTS		
assessment, special, for	XVI	19
PUBLIC SAFETY		
habeas corpus, suspension of	I	11
local government services: funding	XIII	35
victims' bill of rights	I	28
PUBLIC UTILITIES		
assessments, etc.	XIII	19
city regulations	XI	9(b)
commission. See PUBLIC UTILITIES COMMISSION.		
eminent domain proceedings, compensation re	XII	5
municipal corporations, establishment, etc., by	XI	9(a)
rates. See PUBLIC UTILITIES COMMISSION.		
regulation and control of	XII	3
taxation	XIII	19
PUBLIC UTILITIES COMMISSION		
accounts, uniform system of, prescribing of	XII	6
appointment of	XII	1
books and records of railroad, etc., companies, examination of	XII	6
eminent domain proceedings, fixing of compensation re	XII	5
1 deputy or employee of, civil service exemption for	VII	4(m)
powers and duties	XII	2

	Article	Section
PUBLIC UTILITIES COMMISSION—continued		
public utility rates, fixing of	XII	6
rates—		
fixing of, authorization for	XII	4, 6
increases, consent for	XII	4
transportation fares and charges, establishment of, authority for	XII	4
regulation of public utilities	XII	3
removal of commissioners by legislature, two-thirds vote requirement for	XII	1
PUBLIC WORKS		
8-hour day on, and exception to	XIV	2
utilities, establishment by municipal corporation of	XI	9(a)
PUBLICATIONS. See also PRINTING.		
ballot pamphlets: state indebtedness	XVI	1
courts of appeal, opinions of	VI	14
journals of each legislative house	IV	7(b)
liberty of the press	I	2(a)
supreme court, opinions of	VI	14
PUNISHMENT		
cruel or unusual, death penalty not deemed as	I	27
cruel or unusual, imposition of	I	24
cruel or unusual, must not be inflicted	I	17
PURCHASES		
University of California, purchases of materials, goods, etc., by: competitive bidding procedures	IX	9(a)

Q

QUARRIES		
golf courses, nonprofit, assessor's consideration in assessing	XIII	10

R

RACE		
business, etc., disqualification because of race, prohibited	I	8
RADIO STATIONS		
news reporters', etc., refusal to disclose information sources: adjudged in contempt prohibited	I	2(b)
RAILROADS		
assessment, annual, of property of	XIII	19
dining or club cars, sale, etc., of alcoholic beverages in	XX	22
REAL ESTATE BROKERS		
loans: interest rates	XV	1
REAL PROPERTY. See also LANDS; PROPERTY.		
cities, counties, etc., property of. See CITIES—*property of*; CITY AND COUNTY—*property of*; COUNTIES—*property of*.		
governmental agency's acquisition of interest in, conformance to state water laws requisite to	X	7
loans: purchase, construction or improvement: interest rates	XV	1
motor vehicle revenues, expenditures re, property acquired by	XIX	8
private property. See PROPERTY.		
taxes. See TAXES.		
University of California, management and disposition by	IX	9(f)
University of California, sales by: competitive bidding procedures	IX	9(a), 9(f)
REAPPORTIONMENT		
legislature, duties of	XXI	1
RECALL		
election, procedure re	II	15
local officers, recall of	II	19
officers, public	II	13, 14, 15, 16, 17, 18, 19
petitions, qualification of	II	14(b)
RECESS		
legislature. See LEGISLATURE.		
RECIPROCAL OR INTERINSURANCE EXCHANGES		
insurer, inclusion in definition of	XIII	28(a)

	Article	*Section*
RECIPROCAL OR INTERINSURANCE EXCHANGES—continued		
reciprocity re taxation of insurers	XIII	28(f)
RECIPROCITY		
insurers	XIII	28(f)
RECOGNIZANCE		
release of person on his or her own in the court's discretion	I	12, 28
RECREATION		
open space lands assessment	XIII	8
REDEVELOPMENT. See COMMUNITY REDEVELOPMENT.		
REFERENDUM. See also INITIATIVE.		
cities or counties, electors of	II	11
conflicting measures, highest affirmative vote prevails when	II	10(b)
county governing body compensation, ordinance for, subject to	XI	1(b)
definition and procedure re	II	9
effective date	II	10(a)
	IV	8(c)
manner petitions circulated, etc., providing of	II	10(e)
reserve powers of people	IV	1
secretary of state, duties of	II	9(c)
signatures: percent required	II	9(b)
statute not delayed when referendum petition filed	II	10(a)
statutes, referendum, amendment or repeal of	II	10(c)
submission of	II	9(b), 9(c)
title and summary preparation by attorney general	II	10(d)
RELIEF		
laws re, administration of	XVI	11
RELIGION		
buildings under construction for purposes of: exemption from taxation	XIII	3(f), 4(b), 5
business, etc., disqualification because of religion, prohibited	I	8
free exercise, etc., of	I	4
public aid for school, institution, etc., controlled by religious sect, etc., prohibited	XVI	5
taxation exemption re property used exclusively for religious purposes	XIII	3(f), 4(b), 4(d), 5
RENTALS		
water: regulation by state	X	5
RENTERS		
tax benefits	XIII	3(k)
REPLACEMENT DWELLINGS		
transfer of base year value	XIII A	2(a)
REPORTS		
governor's report to legislature each calendar year	V	3
judges' reports to judicial council	VI	6
law enforcement officers' reports to attorney general	V	13
parole of convicted murderer, review by governor of	V	8(b)
reprieves, pardons, and commutations, governor's granting of	V	8(a)
REPRIEVES		
grant by governor of	V	8(a)
RESEARCH		
mass transit guideways, public	XIX	1(b), 4
RESIDENCE		
city, county, or public district employees	XI	10(b)
electors	II	2, 3
governor: 5 years state residence immediately preceding election	V	2
legislative members: 3 years immediately preceding election	IV	2(c)
RESOLUTIONS		
alcoholic beverage appeals board member, removal of	XX	22
alcoholic beverage control, director of, removal of	XX	22
energy alternative sources, limit, etc., on proposed bond issue for financing for	XVI	14.5
fish and game commission members, removal of, by concurrent resolution	IV	20(b)
legislative committees, selection of	IV	11
state officers: compensation	III	8(g), 8(i)

	Article	*Section*
RESTAURANTS		
alcoholic beverages, sale, etc., of	XX	22
RETIREMENT		
constitutional officers—		
allowance	III	7
judges—		
age or disability, for	VI	20
allowance	VII	11
compulsory	VI	18(c), 18(d)
legislators—		
allowance	VII	11
cost-of-living increases	IV	4(c)
federal social security, participation in	IV	4.5
limitations	IV	1.5, 4(c), 4.5
reduction in terms of: effect on benefits, etc.	XX	6
public employees' retirement system. See PUBLIC EMPLOYEES' RETIREMENT SYSTEM.		
public retirement funds: investment	XVI	17
teachers—		
contributions and benefits	IX	6
REVENUE MARINE SERVICE. See MILITARY, NAVAL, ETC., SERVICE; VETERANS.		
REVENUES, STATE. See also TAXES.		
budget estimates	IV	12(a)
community college support	XVI	8
school support	IX	6
	XVI	8, 8.5
REVIEW. See also APPEALS.		
alcoholic beverage control, department of, decisions of	XX	22
civil service, state, disciplinary actions re	VII	3(a)
courts of appeal decisions	VI	12
REWARD		
legislator's vote, influencing	IV	15
RIGHTS OF WAY		
navigable waters, frontage or tidal lands of	X	4
RIGHTS, PEOPLE'S		
aid of counsel	I	14
assemble, to	I	3
crimimal cases	I	15, 24, 29
due process	I	7(a)
education	IX	1
electors, as, qualifications for	I	22
equal protection of the laws	I	7(a), 24
fish, to	I	25
government, alter or reform	II	1
guaranteed by California Constitution as independent from United States Constitution	I	24
habeas corpus privilege	I	11
inalienable	I	1
initiative powers reserved to people	IV	1
liberty of conscience	I	4
navigable waters, access to	X	2
noncitizens	I	20
petition, to	I	3
punishment, not to receive cruel or unusual	I	17, 24
referendum powers reserved to people	IV	1
religious worship	I	4
reserved rights	I	24
searches and seizures, unreasonable, prohibited	I	13
speech and press, liberty of	I	2(a)
trial by jury	I	16
vote	II	2
RIPARIAN RIGHTS		
stream or water courses	X	2
RULES		
legislature: proceedings of each house	IV	7(a)

S

	Article	Section
SACRAMENTO, CITY OF		
capital of California	III	2
SACRAMENTO COUNTY		
consolidation as charter city and county	XX	1
water resources development, venue of actions or proceedings re	X A	6
SACRAMENTO-SAN JOAQUIN DELTA		
eminent domain proceedings to acquire contract rights for water or water quality maintenance	X A	5
eminent domain proceedings to acquire water rights prohibited	X A	5
fish and wildlife resource protection	X A	2
protection of existing water rights, state's	X A	2
statutes amending, repealing, etc., provisions re, approval of	X A	4
SALARIES. See also COMPENSATION; WAGES.		
county superintendents of schools	IX	3.1(b)
judges of court of record	III	4(b)
state officers	III	4(a), 8
teachers: not less than $2400 annually	IX	6
urgency statutes changing: prohibition	IV	8(d)
SALES. See also PURCHASES.		
alcoholic beverages	XX	22
food products	XIII	34
homesteads, forced sale of, protection from	XX	1.5
pollution control facilities, environmental	XVI	14
property, forced sale of, protection from	XX	1.5
tidelands	X	3
University of California, sales of real property by: competitive bidding procedures	IX	9(a), 9(f)
water: regulation by state	X	5
SALES OR USE TAXES		
local public safety services, imposition for	XIII	35
revenue apportionment, etc., local governmental agency contracts re	XIII	29
SAN DIEGO COUNTY		
court districts	VI	5(b)
SAN FRANCISCO BAY		
fish and wildlife resource protection in bay system westerly of delta	X A	2
SAVINGS AND LOAN ASSOCIATIONS		
public moneys, deposit of	XI	11(b)
SCHOOLS. See also EDUCATION; TEACHERS.		
academy of sciences, California	XIII	4(c)
apportionments re construction, etc., state allocation board legislative members' duties re	XVI	1
audits	XVI	8.5(e)
average daily attendance—		
apportionment, minimum amount	IX	6
boards of education, city: member qualifications, etc.: charter provisions	IX	16
boards of education, county, election, etc., of	IX	3.3, 7
bonds—		
issuance of	IX	6½
	XVI	18
certificated employees—		
salaries, minimum, retirement, etc.	IX	6
church controlled, public aid to, prohibited	XVI	5
Cogswell polytechnical college	XIII	4(c)
common schools, legislature to provide system of	IX	5
common schools, sectarian or denominational doctrine prohibited in	IX	8
county superintendents of—		
election or appointment	IX	3
qualifications	IX	3.1(a)
salary	IX	3.1(b)
districts—		
accountability report card, school: adoption	XVI	8.5(e)
allocations from state school fund	XVI	8.5
audit of funds, annual	XVI	8.5(e)

	Article	*Section*
SCHOOLS—continued		
districts—continued		
bonds—		
indebtedness for public school repair, etc., purposes	XVI	18
issuance, requirement re	IX	6½
	XVI	18
classification of, legislature's	IX	14
formation in more than one county	IX	6½, 14
governing boards, initiation, etc., of programs, etc., by	IX	14
governing boards, powers of	IX	14
high school district incorporation, organization, etc.	IX	14
incorporation and organization, legislature's power to provide	IX	14
indebtedness or liability, limitations on	XVI	18
support	XVI	8
elementary schools—		
inclusion in public school system	IX	6
employees—		
victims' bill of rights	I	28
enrollment—		
changes in enrollment: allocations	XVI	8(f)
free schools	IX	5
funds—		
allocations	XVI	8.5
apportionment of	IX	6
	XVI	8, 8.5
instructional improvement and accountability, expenditures for	XVI	8.5(d)
integration plan, continuance or commencement of	I	7(a)
kindergartens—		
inclusion in public school system	IX	6
mechanical arts, California school of	XIII	4(c)
property of, tax exemption for	XIII	3(d), 3(e), 5
public school system—		
definition	IX	6
state school fund apportionments	IX	6
support	IX	6
	XVI	8, 8.5
transfer of school from system prohibited	IX	6
pupil school assignment	I	7(a)
pupil transportation	I	7(a)
religious creed, controlled by, public aid to, prohibited	XVI	5
safe to attend	I	28
secondary schools—		
inclusion in public school system	IX	6
sectarian or denominational, aid to, prohibited	IX	8
	XVI	5
Stanford University, Leland, Jr.	XX	2
state colleges—		
inclusion in public school system	IX	6
state school fund—		
apportionments	IX	6
students—		
victims' bill of rights	I	28
superintendent of public instruction. See SUPERINTENDENT OF PUBLIC INSTRUCTION.		
support of, revenues for	IX	6
	XVI	8, 8.5
taxes, levy of	XIII	21
teachers' salaries not less than $2400 annually	IX	6
teaching staffs of certain, state civil service exemption for	VII	4(i)
technical schools—		
inclusion in public school system	IX	6
textbooks—		
adoption of	IX	7.5
free of charge	IX	7.5
University of California	IX	9

	Article	*Section*
SEARCH WARRANTS		
issuance	I	13
SEARCHES AND SEIZURES		
unreasonable, prohibited	I	13, 24
SECRETARY OF STATE		
ballot pamphlets re authorization of state indebtedness, printing of	XVI	1
city charters, filing of	XI	3(a)
compensation	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
	V	14(a), 14(d), 14(e)
county charters, filing of	XI	3(a)
election of	V	11
gifts: restrictions	V	14(c)
honorarium: prohibition	V	14(b)
initiative measures	II	8(b), 8(c)
lobbying	V	14(e)
recall of	II	17
recall petition signatures, continuous count of	II	14(c)
referendum measures	II	9(b), 9(c)
term of office	V	11
vacancy in office of, appointment to fill	V	5(b)
SECURITIES. See also STOCKS.		
colleges, nonprofit: exemption from taxation	XIII	3(e)
parking meter revenues: availability for provision of public parking facilities	XVI	15
public moneys, investment of	XI	11(b)
SEISMIC SAFETY		
property taxes: seismic retrofitting improvements	X B	2(c)
taxable property reconstruction or improvement to comply with local ordinance re	XIII A	2(a)
SELF-INCRIMINATION	I	15, 24
SENATE. See also LEGISLATURE.		
adjournment or recess—		
adjournment sine die	IV	3(a)
day to day	IV	7(a)
10 days, recesses for more than: consent of other house	IV	7(d)
bills. See also LEGISLATURE.		
budget bill—		
introduction by each house	IV	12(c)
caucus	IV	7(c)
committees—		
proceedings, public	IV	7(c)
selection of	IV	11
compensation of members	IV	4
constitution, proposal of amendments to	XVIII	1
districts—		
40 senatorial districts, division of state into	IV	6
reapportionment of	XXI	1
employees of, civil service exemption for	VII	4(a)
goals and objectives: report	IV	22
governor's appointments, confirmation of—		
alcoholic beverage control appeals board members	XX	22
alcoholic beverage control, director of	XX	22
constitutional offices, vacancies in	V	5(b)
fish and game commission members	IV	20(b)
judicial performance, commission on, members of	VI	8(a)
personnel board, state, members of	VII	2(a)
public utilities commissioners	XII	1
University of California, regents of the	IX	9(a)
impeachment, trial by	IV	18(a)
journal of	IV	7(b)
legislative power vested in	IV	1
members—		
absent members, compelling attendance of	IV	7(a)

	Article	*Section*
SENATE—continued		
members—continued		
civil process, not subject to	IV	14
compensation	IV	4
conflict of interest	IV	5
districts	IV	6
election—		
approval by house	IV	5(a)
date of	IV	2(b)
residency	IV	2(c)
terms	IV	2(a)
vacancy	IV	2(d)
expenses	IV	4
expulsion by two-thirds vote	IV	5
ineligibility for other state offices or employment	IV	13
influencing vote of	IV	15
judicial council, membership on	VI	6
mileage	IV	4
oath of office	XX	3
qualifications—		
approval by house	IV	5(a)
elector	IV	2(c)
residence and citizenship	IV	2(c)
recall of	II	14(b)
retirement	IV	4
	XX	6
succession in war- or enemy-caused disaster	IV	21(a)
terms	IV	2(a)
	XX	7
vote of: felony to influence by bribery, etc.	IV	15
membership	IV	2(a)
officers—		
appointed, civil service exemption for	VII	4(a)
choosing of	IV	7(a)
organization	IV	3(a)
president of senate. See also LIEUTENANT GOVERNOR.		
lieutenant governor as	V	9
vote in case of tie, casting of	V	9
president pro tempore—		
University of California board of regents, selection of, advisory committee re: membership and appointments	IX	9(e)
proceedings, public	IV	7(c)
quorum of	IV	7(a)
rules—		
adoption	IV	7(a)
rules committee—		
University of California board of regents, selection of, advisory committee re: appointments	IX	9(e)
sessions—		
closed sessions	IV	7(c)
regular	IV	3(a)
special	IV	3(b)
vacancy, election to fill	IV	2(d)
vote recordation in journal	IV	7(b)
SENTENCE, COMMUTATION OF		
governor, granting by	V	8(a)
SENTENCES		
parole. See PAROLE.		
prior criminal conviction: use for sentence enhancement purposes in criminal proceedings	I	28
SEPARATE PROPERTY		
husband and wife	I	21
SEPARATION OF POWERS	III	3

	Article	Section
SEX		
disqualification re business, etc., because of sex prohibited	I	8
University of California: debarred admission because of sex prohibited	IX	9(f)
SHERIFFS		
elected county sheriffs	XI	1(b), 4(c)
supervision by attorney general	V	13
SHORT TITLES		
marine resources protection act of 1990	X B	1
SIGNATURES		
initiative petitions	II	8(b)
recall petitions	II	14(b), 14(c), 15, 16
referendum petitions	II	9(b)
SINGLE-FAMILY DWELLINGS		
taxation, property, assessment for purposes of	XIII	9
SLANDER		
elected officials campaign statement	VII	10
SLAVERY		
prohibited	I	6
SOCIAL WELFARE, DEPARTMENT OF		
aid to blind, enforcement of provisions re	XVI	3
SOLAR POWER		
facilities utilizing, revenue bonds to finance	XVI	14.5
property taxation: construction or addition of active solar energy system	XIII A	2(c)
SOLDIERS		
quartering of	I	5
SOVEREIGN IMMUNITY		
limitations: prescribing of procedure for claims against counties, cities, and their officers, etc.	XI	12
SPECIAL ASSESSMENTS. See also ASSESSMENTS.		
property acquisition for public use, proceedings re	XVI	19
public improvements, proceedings re	XVI	19
SPEECH		
freedom of, guaranteed	I	2(a)
SPENDING LIMITATION, GOVERNMENT. See APPROPRIATIONS—*government spending limitation.*		
STANFORD UNIVERSITY, LELAND, JR.		
rights, powers, privileges, etc.	XX	2
STATE AID. See AGED AID; BLIND PERSONS; CALIFORNIA, STATE OF—*aid.*		
STATE BAR OF CALIFORNIA. See BAR OF CALIFORNIA, STATE.		
STATE CAPITAL. See CAPITAL, STATE.		
STATE CAPITOL. See CAPITOL, STATE.		
STATE COLLEGES. See COLLEGES, STATE.		
STATE CONTROLLER. See CONTROLLER, STATE.		
STATE TREASURER. See TREASURER, STATE.		
STATE UNIVERSITY. See UNIVERSITY OF CALIFORNIA.		
STATUTES		
administrative agencies: declaration of statute's unenforceability or refusal to enforce statute prohibited	III	3.5
bond issues, previous, constitutional provisions re: repeal and continuance as statutes	XVI	2(b), 2(c)
bond measures, submission to the electors of	XVI	2(a)
charters, county or city: publishing in official state statutes	XI	3(a)
city and county, provisions for consolidation of county and cities within as	XI	6(a)
civil service statutes: enforcement by state personnel board	VII	3(a)
compensation of state officers	V	14(a), 14(d)
constitutionality: declaration of unconstitutionality by administrative agency prohibited	III	3.5
corporations, laws concerning, alteration or repeal of	XX	5
county charters	XI	4(d), 4(h)
effective date	IV	8(c)
enactment by bill	IV	8(b)
enforcement: refusal by administrative agency prohibited	III	3.5

	Article	*Section*
STATUTES—continued		
executive assignment and reorganization, governor's authority for	V	6
governor's signature	IV	10(a), 10(b)
initiative statutes—		
effective date	II	10(a)
proposal, etc.	II	8
justice court districts, division of county into	VI	5(a)
local or special statute invalid if general statute applicable	IV	16(b)
militia, provision for	V	7
municipal court districts, division of county into	VI	5(a)
naming of individuals or private corporations prohibited	II	12
referendum—		
approval or rejection by	II	9(a)
effective date	II	10(a)
	IV	8(c)
titles	IV	9
uniform operation	IV	16(a)
urgency statutes	IV	8(c)
STOCKS. See also SECURITIES.		
irrigation districts, holdings by	XVI	6
mutual water companies or corporations, acquisition and holding of shares in	XVI	17
state, etc., as stockholder, prohibitions re: exceptions	XVI	6
taxation, etc.	XIII	2
STREETS		
motor vehicle fees and taxes: use	XIX	2
motor vehicle fuel taxes: use	XIX	1
tidelands reserved to state for, sale of	X	3
STRIKES		
inmate labor	XIV	5
SUBPOENAS		
public utilities commission's powers re	XII	6
SUBVENTIONS		
homeowners' property tax exemption, revenue losses re	XIII	3(k), 25
local government: use	XIII	24
mandated new programs or higher levels of service: reimbursement of local government costs	XIII B	6
postponement of property tax payments on residences of persons 62 years or older or disabled, revenue losses re	XIII	8.5
SUBVERSIVES		
office or employment, public, disqualification from	VII	9(a)
SUFFRAGE. See also ELECTIONS; VOTING.		
privilege of free, support of	VII	8(b)
property qualifications, prohibited	I	22
SUISUN MARSH		
fish and wildlife resource protection	X A	2
SUITS AGAINST STATE		
permitted	III	5
SUPERINTENDENT OF PUBLIC INSTRUCTION		
average class size: determination for transfer or allocation of funds	XVI	8.5(a)
compensation	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
	V	14(a), 14(d), 14(e)
date of office	IX	2
deputy and associates, nomination of	IX	2.1
deputy and associates, terms of	IX	2.1
election	IX	2
expenditures per student, annual: determination for transfer or allocation of funds	XVI	8.5(a)
gifts: restrictions	V	14(c)
honorarium: prohibition	V	14(b)
lobbying	V	14(e)
teaching staff of schools under jurisdiction of: civil service exemption	VII	4(i)
term of office	IX	2

	Article	*Section*
SUPERINTENDENT OF PUBLIC INSTRUCTION—continued		
University of California, ex officio regent of the	IX	9(a)
vacancy in office of, appointment to fill	V	5(b)
SUPERINTENDENTS OF SCHOOLS, COUNTY. See COUNTY SUPERINTENDENTS OF SCHOOLS.		
SUPERIOR COURTS. See also COURTS.		
attorney general, prosecutions by: powers as district attorney	V	13
certiorari, original jurisdiction in	VI	10
commissioners, appointment of	VI	22
county clerk as ex officio clerk of	VI	4
county, in each	VI	4
court of record	VI	1
habeas corpus proceedings, original jurisdiction in	VI	10
judges. See JUDGES AND JUSTICES.		
judicial power vested in	VI	1
jurisdiction, appellate	VI	11
jurisdiction, original	VI	10
mandamus, original jurisdiction in	VI	10
officers, appointment of	VI	22
prohibition, original jurisdiction in	VI	10
water rights and water quality, actions re	X A	6
SUPREME COURT. See also COURTS.		
censure of judges	VI	18(c)
certiorari, original jurisdiction in	VI	10
commissioners, appointment of	VI	22
commutations for twice convicted felons, recommendations re	V	8(a)
composition of	VI	2
convening of	VI	2
court of record	VI	1
death judgment, appellate jurisdiction re	VI	11
decisions in writing that determine causes	VI	14
governor, vacancy in office of: jurisdiction re succession, etc.	V	10
habeas corpus proceedings, original jurisdiction in	VI	10
judgment, concurrence necessary for	VI	2
judicial performance, commission on, appointments to	VI	8(a)
judicial power vested in	VI	1
justices. See JUDGES AND JUSTICES.		
mandamus, original jurisdiction in	VI	10
opinions, publication of	VI	14
pardons when second felony, recommendations re	V	8(a)
prohibition, original jurisdiction in	VI	10
removal of judges	VI	18(a), 18(b)
retirement of judges	VI	18(c)
suspension of judges	VI	18(b)
transfer of cases to, or from, other courts	VI	12
transfer of cause from one court or division	VI	12
water rights and water quality, actions re	X A	6

T

TAXES		
actions re recovery of taxes claimed illegal	XIII	32
alcoholic beverage sales, etc., collection, etc., of excise taxes on	XX	22
apportionments—		
sales or use tax revenues, local, contracts re	XIII	29
appropriations raised by, ratio of total	XIII	22
aqueducts	XIII	19
assessments. See ASSESSMENTS.		
banks and national banking associations	XIII	27
bonded indebtedness, city, county, etc., interest on	XVI	18
bonds, generally	XIII	2
boundaries, state, changes, etc., property involved in	XIII	23
canals	XIII	19
car companies	XIII	19
collections—		
legal or equitable process to prevent, prohibited	XIII	32

TAXES—continued	*Article*	*Section*
community redevelopment projects, taxable property re	XVI	16
corporations	XIII	27
credits, solvent	XIII	2
debentures	XIII	2
deeds of trust	XIII	2
districts, special, imposition of taxes on	XIII A	4
ditches	XIII	19
electric companies	XIII	19
equalization, county boards of. See EQUALIZATION, COUNTY BOARDS OF.		
equalization, state board of. See EQUALIZATION, STATE BOARD OF.		
exemptions—		
academy of sciences, California	XIII	4(c)
bonds—		
California, state of	XIII	3(c)
governmental agencies	XIII	3(c)
debts secured by land	XIII	3(n)
governmental agencies, property belonging to	XIII	3(b)
grape vines under three years	XIII	3(i)
householders' personal property	XIII	3(m)
Huntington, Henry E., library and art gallery	XIII	4(c)
local government, property belonging to	XIII	3(b)
mechanical arts, California school of	XIII	4(c)
property—		
buildings under construction—		
charitable purposes, buildings for	XIII	4(b), 5
colleges, nonprofit	XIII	3(e), 5
hospitals, nonprofit	XIII	4(b), 5
religious purposes, buildings for	XIII	3(f), 4(b), 5
burial plots, etc., property used for	XIII	3(g)
charitable purposes, property used exclusively for	XIII	4(b), 5
church property	XIII	3(f), 5
church property parking lots	XIII	4(d)
colleges, nonprofit, buildings, etc., of	XIII	3(e), 5
colleges, state, property used for	XIII	3(d)
community colleges, property used for	XIII	3(d)
crops, growing	XIII	3(h)
homeowners	XIII	3(k), 25
	XIII A	2(a)
hospitals, nonprofit, property used exclusively for	XIII	4(b), 5
libraries, public free, property used for	XIII	3(d)
low value real property: exemption by boards of supervisors	XIII	7
museums, free, property used for	XIII	3(d)
1975, appraised value after: newly constructed, ownership change, etc.	XIII A	2(a)
November 1, 1988, applicability to changes in ownership or new construction after	XIII A	2(i)
personal property, certain	XIII	3(m)
religious purposes, property used exclusively for	XIII	3(f), 4(b), 4(d), 5
schools, public, property used for	XIII	3(d)
seismic retrofitting improvements	XIII A	2(c)
state, property belonging to	XIII	3(a)
universities, state, property of	XIII	3(d
veterans—		
blind veteran	XIII	4(a)
disabled veteran	XIII	3(o), 4(a)
generally	XIII	3(o), 3(r), 3.5
parent of deceased veteran	XIII	3(q)
spouse of veteran	XIII	3(o), 3(p), 4(a)
waivers	XIII	6
subversive persons or groups, exemption for, prohibited	VII	9(b)

TAXES—continued	*Article*	*Section*
exemptions—continued		
trees—		
forest, immature	XIII	3(j)
fruit, under four years	XIII	3(i)
nut, under four years	XIII	3(i)
vessels, certain	XIII	3(*l*)
flumes	XIII	19
franchises	XIII	27
gas companies	XIII	19
golf courses, nonprofit, assessment of	XIII	10
improvements and land separately assessed for purpose of	XIII	13
indebtedness, evidence of	XIII	2
insurers—		
annual tax, basis of the	XIII	28(c)
annual tax imposed	XIII	28(b)
annual tax, rate of	XIII	28(d)
board of equalization, assessment by	XIII	28(h)
definitions	XIII	28(a)
fraternal benefit societies	XIII	28(f)
in lieu tax exceptions	XIII	28(f)
intent of section re gross premiums, less return premiums, received	XIII	28(j)
investments: definition	XIII	28(c)
ocean marine insurance	XIII	28(f), 28(g)
reciprocal or interinsurance exchanges	XIII	28(a), 28(f)
reciprocity	XIII	28(f)
state compensation insurance fund	XIII	28(a)
vote, legislative: majority requirement re passage of rate change	XIII	28(i)
land—		
improvements separately assessed	XIII	13
local governmental agency, taxable land outside boundaries owned by: valuation, etc.	XIII	11
legislature's passing of laws to carry out constitutional provisions	XIII	33
levy of, delegated to private person, etc., prohibited	XI	11(a)
liens—		
cessation after 30 years, presumption re	XIII	30
local governmental agency property—		
assessment subsequent to 1968	XIII	11
improvements, replacement, etc., of, subsequent to March 1954, assessment of	XIII	11
land owned outside its boundaries, definition re	XIII	11
land owned outside its boundaries, valuation, etc., of	XIII	11
lien date in 1967 deemed as lien date in 1966	XIII	11
water consumption or usage outside boundaries, limitations on, assessment, etc., of	XIII	11
mortgages	XIII	2
motor vehicle fees and taxes—		
license fees: allocation to counties and cities	XI	15
use of	XIX	2
motor vehicle fuel—		
allocation	XIX	3
legislative acts authorizing use of	XIX	3
mass transit guideway purposes, public, use for	XIX	1(b)
property acquired by use of revenues from	XIX	8, 9
state property purchased with tax revenues, transfer of surplus	XIX	9
street and highway purposes, use for	XIX	1
notes	XIII	2
payment after 30 years, presumption re	XIII	30
personal property—		
classification of exemption	XIII	2
householder's	XIII	3(m)
legislature's provision for	XIII	2
rates, etc., re unsecured property	XIII	12
pipelines	XIII	19
power of taxation, suspension, etc., by grant or contract of, prohibited	XIII	31
proceeds of taxes, definition of	XIII B	8(c)

TAXES—continued	*Article*	*Section*
property—		
assessment at full cash value	XIII	1
assessment, place of	XIII	14
base year values, transfer of	XIII A	2(a)
classification: waivers	XIII	6
damaged or destroyed property, assessment or reassessment of	XIII	15
damaged or destroyed property: transfer of value to comparable property	XIII A	2(a), 2(e), 2(f)
disaster, property reconstructed after	XIII A	2(a)
exemptions. See subheading, *exemptions.*		
fire sprinkler, extinguishing or detection systems, or egress improvement: exclusion	XIII A	2(c)
full cash value base to reflect inflationary rate	XIII A	2(b)
full cash value, definition of	XIII A	2(a)
historical significance, property of	XIII	8
limitation, tax, effective date of provisions re	XIII A	5
limitation, tax, exceptions to	XIII A	1(b)
limitation, tax, severability of provisions re	XIII A	6
maximum ad valorem tax of 1% of full cash value	XIII A	1
1975, appraised value after: newly constructed, ownership change, etc.	XIII A	2(a)
November 1, 1988, applicability to changes in ownership or new construction after	XIII A	2(i)
ownership change due to eminent domain proceedings, etc.	XIII A	2(d)
postponement of tax payments on residences of persons 62 years or older or disabled	XIII	8.5
sales of real property: sales or transactions taxes prohibited	XIII A	3, 4
seismic safety, reconstruction or improvement re: exclusion	XIII A	2(a)
solar energy system, active, construction or addition of	XIII A	2(c)
subject to taxation	XIII	1, 2
transfers between parents and children	XIII A	2(h)
transfers between spouses	XIII A	2(g)
two or more counties, tax levy when boundaries include: voter approval	XI	14
unsecured property	XIII	12
valuation of assessable property: adjustments: change in assessment ratio	XIII	3.5
publicly owned property	XIII	11
railroad companies	XIII	19
rates—		
basis of the annual tax, tax rate applied to the: insurers	XIII	28(d)
insurers	XIII	28(a), 28(i)
legislature's providing of	XIII	20
unsecured property	XIII	12
renters' tax benefits	XIII	3(k)
sales or use taxes. See SALES OR USE TAXES.		
schools—		
districts—		
levy and assessment	XIII	21
state taxes: changes by rate increases or computation methods: vote requirement	XIII A	3
statutes providing tax levies effective immediately	IV	8(c)
stock, capital	XIII	2
telegraph and telephone companies	XIII	19
TEACHERS		
civil service, state, exemption	VII	4(i)
retirement, contributions for, and benefits to	IX	6
salary, annual: not less than $2,400	IX	6
TECHNOLOGY. See COGENERATION TECHNOLOGY.		
TELEGRAPH		
assessment of property of telegraph companies	XIII	19
regulation and control as public utility	XII	3

	Article	Section
TELEPHONE		
assessment of property of telephone companies	XIII	19
regulation and control as public utility	XII	3
TELEVISION STATIONS		
news reporters', etc., refusal to disclose information sources: adjudged in contempt prohibited	I	2(b)
TERMS OF OFFICE. See OFFICE—*terms.*		
TESTIMONY		
comment by court	VI	10
TEXTBOOKS, PUBLIC SCHOOL. See SCHOOLS—*textbooks.*		
TIDELANDS		
exclusion of right of way, etc., prohibited	X	4
sale of, restrictions on	X	3
TIME		
bills—		
budget bill—		
June 15th of each year, passage by midnight of	IV	12(c)
deadline for governor's signature	IV	10(b)
presentation to governor	IV	10(d)
budget—		
10 days of each calendar year, submitted by governor within first	IV	12(a)
citizens compensation commission, California: members: appointment, etc.	III	8(d)
constitutional amendment or revision—		
1 day after election, effective	XVIII	4
constitutional convention—		
6 months from time of majority vote, legislature to provide for convention within	XVIII	2
elections, recall—		
60 days or more than 80 days from certification, election date not less than	II	15
6 months, no petition to be circulated or filed for another recall before	II	18
elective offices, constitutional—		
even-numbered year before expiration of term, holding of election on	II	20
Monday after January 1 following election, commencement of terms on	II	20
governor's appointments, confirmation of—		
90 days, within, of submission of nomination, taking of office if neither confirmed nor refused confirmation	V	5(b)
initiative measures—		
131 days after qualifying, submission at next general election held at least	II	8(c)
judges—		
election, time of, and terms	VI	16(a), 16(c)
September 16, nomination of candidate by governor before	VI	16(d)
30 days before August 16 next preceding expiration of term, filing a declaration of candidacy within	VI	16(d)
90 days, causes submitted but pending and undetermined for: salary suspension	VI	19
5 years immediately preceding selection to justice court, member of state bar	VI	15.5
5 years immediately preceding selection to municipal court, member of state bar	VI	15
10 years immediately preceding selection to court of record other than municipal court or justice court, member of state bar	VI	15
legislative members—		
5 days before and after, and during, session, not subject to civil process	IV	14
legislature—		
1st Monday in December of even-numbered year, regular session to commence	IV	3(a)
November 30, adjournment sine die at midnight on	IV	3(a)
10 days, recesses for more than: consent of both houses	IV	7(d)

	Article	Section
TIME—continued		
legislature—continued		
referendum—		
second calendar year of biennium, presentation during	II	9(b)
31 days after qualifying, submission at next general election held at least	II	9(c)
90 days after enactment date of statute, presentation within	II	9(b)
superintendent of public instruction—		
1st Monday after January 1 next succeeding his election, begins duties of office	IX	2
TOBACCO AND TOBACCO PRODUCTS		
cigarette and tobacco products surtax fund revenues, appropriations of.	XIII B	12
TOWNS AND TOWNSHIPS		
bonds—		
indebtedness for public school repair, etc., purposes	XVI	18
issuance, requirements re	XVI	18
credit, giving or lending of, prohibited	XVI	6
housing project, low rent, approval of	XXXIV	1
indebtedness or liability, limitations on	XVI	18
insurance pooling arrangement: joint powers agreement, etc.	XVI	6
sectarian, etc., purposes, aid for, prohibited	XVI	5
tideland sales to	X	3
tort liability or public liability losses: payment through insurance pooling arrangement	XVI	6
unemployment insurance: payment through insurance pooling arrangement	XVI	6
water supplied to, franchise to collect rates, etc., for use of	X	6
workers' compensation: payment through insurance pooling arrangement	XVI	6
TRANSPORTATION		
alcoholic beverages	XX	22
companies. See TRANSPORTATION COMPANIES.		
mass transit guideways, public. See MASS TRANSIT GUIDEWAYS, PUBLIC.		
municipal corporation, operation, etc., of public works by	XI	9(a)
plans, etc.—		
motor vehicle revenues use for	XIX	3
railroads. See RAILROADS.		
vessels, certain: exemption from taxation	XIII	3(*l*)
TRANSPORTATION COMPANIES		
charges, etc., discrimination in, prohibited	XII	4
charges, rates of, public utilities commission establishment of	XII	4
free, etc., passes for public officers, prohibited	XII	7
legislative control of	XII	3
rate increases	XII	4
TREASON		
definition	I	18
evidence required for conviction of	I	18
TREASURER, STATE		
compensation	III	8(a), 8(g), 8(h), 8(i), 8(*l*)
	V	14(a), 14(d), 14(e)
election of	V	11
gifts: restrictions	V	14(c)
honorarium: prohibition	V	14(b)
lobbying	V	14(e)
term of office	V	11
vacancy in office of, appointment to fill	V	5(b)
TREASURY, STATE. See also FUNDS—*state.*		
bond issuance, funds created for proceeds from, abolishment, etc., of	XVI	1.5
bond proceeds fund, general obligation, creation, etc., of	XVI	1.5
warrants on: appropriation requirement	XVI	7

	Article	*Section*
TREES		
fruit and nut, under four years, exemption from taxation of	XIII	3(i)
immature forest, exemption from taxation of	XIII	3(j)
TRIAL BY JURY. See also TRIALS.		
guaranteed	I	16
TRIALS		
criminal cases, rights of defendant or the people in	I	15, 24, 29
impeachment tried by senate	IV	18(a)
judges, temporary	VI	21
jury trials—		
number of jurors	I	16
right of, guaranteed	I	16
waiver: criminal or civil causes	I	16
waiver: evidence and finding of facts by appellate courts	VI	11
libelous or slanderous campaign statement	VII	10
new trials, granting of, when miscarriage of justice	VI	13
original jurisdiction, courts having	VI	10
workers' compensation disputes	XIV	4
TRUSTS AND TRUSTEES		
bonds, etc., registration of	XI	11(b)
insurers having trust departments, taxation of	XIII	28(f)

U

UNEMPLOYMENT		
relief laws, etc.	XVI	11
UNEMPLOYMENT INSURANCE		
counties, city and county, etc.: payment through insurance pooling arrangement	XVI	6
UNITED STATES		
aged, pensions or aid for, state co-operation re	XVI	10
California as inseparable part of	III	1
constitution of: supreme law	III	1
hospital construction, federal-state funds for	XVI	3
housing projects, low rent, funds for	XXXIV	1
officeholder: civil office prohibited	VII	7
overthrow by force or violence, advocating: disqualification from public office, etc.	VII	9
water laws, state, conformance with	X	7
UNIVERSITIES AND COLLEGES. See COGSWELL POLYTECHNICAL COLLEGE; COLLEGES, NONPROFIT; COLLEGES, PRIVATE; COLLEGES, STATE; COMMUNITY COLLEGES, CALIFORNIA; STANFORD UNIVERSITY, LELAND, JR.; UNIVERSITY OF CALIFORNIA.		
UNIVERSITY OF CALIFORNIA		
alumni association, president and vice president of, as ex officio regents of the University of California	IX	9(a)
bidding procedures, competitive, re construction contracts, etc.	IX	9(a)
officers and employees—		
civil service, state, exemption	VII	4(h)
oath or affirmation of office	XX	3
subversives, disqualification of	VII	9(a)
president, acting, as ex officio regent of the University of California	IX	9(a)
regents—		
advisory committee for the selection of the	IX	9(e)
appointments of additional members to board of	IX	9(c)
composition of board of	IX	9(a), 9(d), 9(e)
meetings, public	IX	9(g)
powers	IX	9
terms	IX	9(b)
trust, administration of	IX	9(f)
sex, debarred admission because of, prohibited	IX	9(f)

	Article	*Section*
USURY		
interest rate restrictions and exemptions	XV	1

V

VACANCIES		
attorney general, vacancy in office of	V	5(b)
controller, state, office of	V	5(b)
county charter provisions re	XI	4(c), 4(e)
courts of appeal judges	VI	16(d)
elective offices	VII	10
equalization, state board of	V	5(b)
fish and game commission	IV	20(b)
governor, office of, during war- or enemy-caused disaster	IV	21(b)
governor, office of, succession re	V	10
governor's appointments to fill	V	5
judicial council	VI	6
judicial performance, commission on	VI	8(a)
legislature	IV	2(d)
legislature when war- or enemy-caused disaster	IV	21(a)
lieutenant governor, office of	V	5(b)
personnel board, state	VII	2(a)
public utilities commission	XII	1
secretary of state, office of	V	5(b)
superintendent of public instruction, office of	V	5(b)
superior court judges	VI	16(c)
supreme court justices	VI	16(d)
treasurer, state, office of	V	5(b)
University of California, regents of the	IX	9(b)
VENUE		
water rights and water quality, actions or proceedings brought in superior court re	X A	6
VERDICTS		
civil actions, trial by jury in	I	16
VESSELS		
alcoholic beverages, sale, etc., of	XX	22
commercial passenger fishing boat: marine resources protection stamp	X B	8(c), 8(d)
taxation, exemption of certain from	XIII	3(*l*)
VETERANS		
business loans, state aid for	XVI	6
civil service preference	VII	6(a)
farms and homes, state aid for acquisition of	XVI	6
tax exemption re property	XIII	3(o), 3(p), 3(q), 3(r), 3.5, 4(a)
VETO. See LEGISLATURE—*bills.*		
VICTIMS OF CRIME		
bill of rights	I	28
VINES		
grape, under three years, exemption from taxation of	XIII	3(i)
VOCATION		
disqualification because of sex, race, etc., prohibited	I	8
VOTING. See also ELECTIONS; LEGISLATURE—*votes and voting;* SUFFRAGE.		
civil service statutes, etc., state personnel board re	VII	3(a)
disqualification	II	4
lieutenant governor: casting vote as president of senate	V	9
majority required—		
boards of education: member qualifications, etc.: city charter amendments	IX	16
bonded indebtedness for certain public school purposes	XVI	18
constitution, California, amendment or revision of	XVIII	4
constitutional convention, calling of	XVIII	2
housing project, low rent, development, etc., of	XXXIV	1
indebtedness, state, authorization of	XVI	1
mass transit guideways, public, use of motor vehicle revenues for	XIX	4

	Article	Section
VOTING—continued		
majority required—continued		
property tax levy when local government boundary includes two or more counties	XI	14
sales or use tax revenues, local, apportionments, contracts re	XIII	29
right	II	2
secret	II	7
⅔ required—		
bonded indebtedness—		
city, county, etc.	XVI	18
local government	XIII A	1(b)

W

WAGES. See also COMPENSATION; SALARIES.		
minimum wages, legislature's providing for	XIV	1
WAIVERS		
property tax exemptions	XIII	6
WAR		
public works, 8-hour day on, exception to	XIV	2
WAR-CAUSED DISASTER		
legislative powers	IV	21
WARRANTS		
cause, issue on probable	I	13
WARRANTS ON STATE TREASURY		
institutions not state managed or controlled, appropriations for purpose or benefit of: prohibited	XVI	3
moneys drawn by warrants only	XVI	7
WATER		
appropriations, etc., state regulation of	X	5
city, county, etc., supplies to, collection of rates, etc., for	X	6
conservation	X	2
ecological reserves	X B	14
franchises, collection of rates, etc., by	X	6
international water system, acquisition of control of: irrigation districts as stockholders	XVI	6
lands, state, acquisition of interest in, conformance to state laws requisite to	X	7
municipal corporations, operation, etc., of public works by	XI	9(a)
navigable waters. See NAVIGABLE WATERS.		
ocean waters: definition	X B	2(c)
private waters, public aid in clearing debris, etc., from	XVI	6
regulation and control as public utility	XII	3
resources, beneficial use of	X	2
resources development—		
actions and proceedings brought in superior court, venue of	X A	6
actions or proceedings pending in court, preference to	X A	6
delta protection act, statutes amending, repealing, etc.	X A	4
fish and wildlife resources. See FISH AND WILDLIFE RESOURCES.		
force and effect of provisions re	X A	8
guarantees and protections for water rights and water quality	X A	1
Sacramento-San Joaquin Delta, protection of existing water rights in.	X A	2
state agencies' exercise of authorized powers	X A	7
state water resources development system, operation to comply with water quality standards and control plans	X A	2
wild and scenic rivers system, state, appropriations for storage in or diversion from	X A	3
riparian rights	X	2
stock in mutual companies, public agency acquisition, etc., of	XVI	17
taxable lands owned by local governmental agency outside its boundaries: inclusion of water rights	XIII	11
WHARFAGE		
regulation and control as public utility	XII	3

	Article	*Section*
WIDOWS AND WIDOWERS		
spouse of veteran, property tax exemption for	XIII	3(p), 4(a)
WILD AND SCENIC RIVERS SYSTEM, CALIFORNIA		
water exports into another hydrologic basin, prohibited appropriations of water for	X A	3
WILDLIFE RESOURCES. See FISH AND WILDLIFE RESOURCES.		
WILLS		
separate property	I	21
WITNESSES		
credibility of, comment on	VI	10
criminal cases, protection in	I	30(b)
defendant's right to	I	15, 24
detention, unreasonable, prohibited	I	10
testimony of, comment on	VI	10
treason, conviction of	I	18
WORKERS' COMPENSATION		
counties, city and county, etc.: payment through insurance pooling arrangement	XVI	6
creation, enforcement, etc., of system re	XIV	4
disputes, settlement of, provisions re	XIV	4
WRIT OF HABEAS CORPUS		
suspension of	I	11
WRITINGS		
supreme court and courts of appeal: decisions that determine causes	VI	14

Z

ZONES AND ZONING		
marine resources protection zone	X B	2(d)
single-family homes, assessment for property tax purposes of	XIII	9

MEASURES SUBMITTED TO VOTE OF ELECTORS

Special Statewide Election, November 2, 1993

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

SPECIAL ELECTION PROCLAMATION

I, PETE WILSON, Governor of the State of California, pursuant to Article II, Section 8(c) of the California Constitution, and Sections 2651 and 3525 of the Elections Code, do hereby proclaim and order that a statewide special election shall be held on the 2nd day of November, 1993, to submit the following qualified initiative and legislative constitutional amendments to the voters, including but not limited to:

558. Education. Parental Choice. Scholarships.
Initiative Constitutional Amendment

SCA 17 Low rent housing projects.
Res. Ch. 109, Statutes of 1992

SCA 32 Budget implementation bill: subject requirement.
Res. Ch. 114, Statutes of 1992

ACA 6 School facilities funds: bonds.
Res. Ch. 135, Statutes of 1992

ACA 41 Property taxation: transfer of base year value.
Res. Ch. 136, Statutes of 1992

In addition, the election will provide an opportunity for voters in each county to decide whether to increase the local sales tax to pay for local services if county officials place the sales tax measures on the ballot.

California requires a restructuring of the fiscal relationship between state and local governments.

For fifteen years, the state has supplemented local tax yields, through state subventions, while local officials controlled expenditure levels. As a result of the state government's continuing revenue loss and as a result of the requirement imposed on state government by the California Constitution to finance primary and secondary education as its priority responsibility, the state can no longer provide the same level of support to other critically needed state functions, and has been compelled to shift $2.6 billion in property tax from local governments to schools in the same county.

The people have the right and should have the opportunity to control their own destiny. It is vitally important to the future of California that the cost of local services be approved and funded by local taxpayers. Accountability to taxpayers requires that those officials who spend tax moneys also raise them or, as in this special statewide election, let the voters decide the level of their taxation.

Therefore, I urge local governments, if they so choose, to take advantage of the opportunity provided by this statewide special election to place local sales tax measures on the ballot.

Funds necessary to pay the claims of local agencies arising from the special statewide election shall be included in the State Budget for the 1994-95 fiscal year, or in an earlier enacted claims bill.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of June 1993.

Governor of California

ATTEST:

Secretary of State

MEASURES SUBMITTED TO VOTE OF ELECTORS

Special Statewide Election, November 2, 1993

MEASURES ADOPTED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

Number on ballot

171. **Property Taxation. Transfer of Base Year Value.** (Statutes 1992, Resolution Chapter 136, ACA 41)

172. **Local Public Safety Protection and Improvement Act of 1993.** (Statutes 1993, Resolution Chapter 41, SCA 1)

MEASURES DEFEATED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

Number on ballot

168. **Low Rent Housing Projects.** (Statutes 1992, Resolution Chapter 109, SCA 17)

169. **Budget Implementation.** (Statutes 1992, Resolution Chapter 114, SCA 32)

170. **Property Taxes. Schools. Majority Vote. Development-Fee Limits.** (Statutes 1992, Resolution Chapter 135, ACA 6)

INITIATIVE CONSTITUTIONAL AMENDMENT

174. **Education. Vouchers.**

BOND ACT SUBMITTED BY LEGISLATURE

173. **California Housing and Jobs Investment Bond Act. $185 Million Legislative Bond Act.** (Statutes 1993, Chapter 116, AB 215)

SECRETARY OF STATE

I, BILL JONES, Secretary of State of the State of California, hereby certify, based on records on file in my office:

That pursuant to Government Code §9766, Subd. (d), the following are the results of all elections upon any initiative or referendum measures submitted to the electors of the State within the Calendar Year 1993.

The following laws were adopted by vote of the electors at the November 2, 1993 , general election:

Property Taxation. Transfer of Base Year Value. Legislative Constitutional Amendment. (Assembly Constitutional Amendment 41, Statutes of 1992, Resolution Chapter 136)

Local Public Safety Protection and Improvement Act of 1993. Legislative Constitutional Amendment. (Senate Constitutional Amendment 1, Statutes of 1993, Resolution Chapter 41)

The following proposed laws were defeated by vote of the electors at the November 2, 1993 general election:

Low Rent Housing Projects. Legislative Constitutional Amendment (Senate Constitutional Amendment 17, Statutes of 1992. Resolution Chapter 109)

Budget Implementation. Legislative Constitutional Amendment. (Senate Constitutional Amendment 32, Statutes of 1992. Resolution Chapter 114)

Property Taxes. Schools. Majority Vote. Development-Fee Limits. Legislative Constitutional Amendment. (Assembly Constitutional Amendment, Statutes of 1992, Resolution Chapter 135)

California Housing and Jobs Investment Bond Act. $185 Million Legislative Bond Act. (Assembly Bill 215, Statutes of 1993, Chapter 116)

Education. Vouchers. Initiative Constitutional Amendment.



IN WITNESS WHEREOF, I hereunto set my hand and affix the Great Seal of the State of California, at Sacramento, this 7th day of March , 1996.

BILL JONES
Secretary of State

PROPOSITIONS SUBMITTED TO VOTE OF ELECTORS

Special Statewide Election, November 2, 1993

MEASURES ADOPTED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

Number on ballot

171. **Property Taxation. Transfer of Base Year Value.** (Statutes 1992, Resolution Chapter 136, ACA 41)

[Approved by electors November 2, 1993.]

PROPOSED AMENDMENT TO SUBDIVISION (e) OF SECTION 2 OF ARTICLE XIII A

(e) *(1)* Notwithstanding any other provision of this section, the Legislature shall provide that the ~~baseyear~~ *base year* value of property which is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property, within the same county, that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.

(2) Except as provided in paragraph (3), ~~This~~ *this* subdivision shall apply to any comparable replacement property acquired or newly constructed on or after July 1, 1985, and to the determination of ~~baseyear~~ *base year* values for the 1985–86 fiscal year and fiscal years thereafter.

(3) In addition to the transfer of base year value of property within the same county that is permitted by paragraph (1), the Legislature may authorize each county board of supervisors to adopt, after consultation with affected local agencies within the county, an ordinance allowing the transfer of the base year value of property that is located within another county in the State and is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property of equal or lesser value that is located within the adopting county and is acquired or newly constructed within three years of the substantial damage or destruction of the original property as a replacement for that property. The scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to this paragraph shall not exceed the scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to subdivision (a). For purposes of this paragraph, "affected local agency" means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues. This paragraph shall apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster, as declared by the Governor, occurring on or after October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter.

Number on ballot

172. **Local Public Safety Protection and Improvement Act of 1993.** (Statutes 1993, Resolution Chapter 41, SCA 1)

[Approved by electors November 2, 1993.]

PROPOSED AMENDMENT TO ARTICLE XIII

SEC. 35. (a) The people of the State of California find and declare all of the following:

(1) Public safety services are critically important to the security and well-being of the State's citizens and to the growth and revitalization of the State's economic base.

(2) The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

(3) In order to assist local government in maintaining a sufficient level of public safety services, the proceeds of the tax enacted pursuant to this section shall be designated exclusively for public safety.

(b) In addition to any sales and use taxes imposed by the Legislature, the following sales and use taxes are hereby imposed:

(1) For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of ½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this State on and after January 1, 1994.

(2) An excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer on and after January 1, 1994, for storage, use, or other consumption in this State at the rate of ½ percent of the sales price of the property.

(c) The Sales and Use Tax Law, including any amendments made thereto on or after the effective date of this section, shall be applicable to the taxes imposed by subdivision (b).

(d) (1) All revenues, less refunds, derived from the taxes imposed pursuant to subdivision (b) shall be transferred to the Local Public Safety Fund for allocation by the Legislature, as prescribed by statute, to counties in which either of the following occurs:

(A) The board of supervisors, by a majority vote of its membership, requests an allocation from the Local Public Safety Fund in a manner prescribed by statute.

(B) A majority of the county's voters voting thereon approve the addition of this section.

(2) Moneys in the Local Public Safety Fund shall be allocated for use exclusively for public safety services of local agencies.

(e) Revenues derived from the taxes imposed pursuant to subdivision (b) shall not be considered proceeds of taxes for purposes of Article XIII B or state General Fund proceeds of taxes within the meaning of Article XVI.

(f) Except for the provisions of Section 34, this section shall supersede any other provisions of this Constitution that are in conflict with the provisions of this section, including, but not limited to, Section 9 of Article II.

MEASURES DEFEATED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

Number on ballot

168. **Low Rent Housing Projects.** (Statutes 1992, Resolution Chapter 109, SCA 17)

[Rejected by electors November 2, 1993.]

PROPOSED AMENDMENT TO ARTICLE XXXIV, SECTION 1

Section 1. ~~No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any State public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.~~ *(a) Before one or more state public bodies develop, construct, or acquire a low rent housing project, the state public body shall provide public notice pursuant to standards adopted by the Legislature governing notice for adoption of ordinances or other official actions of the proposed development, construction, or acquisition. The proposed development, construction, or acquisition shall only be subject to election in the manner prescribed in this section.*

If a low rent housing project is proposed to be located in a city, city and county, or the unincorporated territory of a county or areas thereof, the state public body providing notice shall specify in the public notice the unincorporated territory of the county, and any area of any city within the county, or of any city and county, it determines will incur a significant negative impact with regard to revenues of the city, city and county, or county, and with regard to the physical appearance of the surrounding community as a result of the proposed low rent housing project.

(b) An election on the proposed low rent housing project shall be held if a petition signed by electors of the city, city and county, or the unincorporated territory of the county or areas thereof specified in the public notice, equal in number to at least the percentage of signatures of registered voters required by statute to qualify a local referendum measure for the ballot within the city, city and county, or unincorporated territory of the county or areas thereof at the last gubernatorial election for all candidates for Governor, is submitted to the clerk of the legislative body of the city, county, or city and county within 30 days of the date of the first approval by the state public body of the development, construction, or acquisition of a low rent housing project. If a majority of the electors of the city, city and county, or unincorporated territory of the county or areas thereof voting on the issue reject the proposed development, construction, or acquisition of the low rent housing project, the state public body shall not proceed with the proposed assistance to the project. If an election is not held pursuant to this section, or if held, the proposed development, construction, or acquisition is not rejected, the state public body may proceed with the development, construction, or acquisition of the low rent housing project, and the development, construction, or acquisition of the project shall not be subject to further election.

(c) For the purposes of this ~~Article~~ *article* the term "low rent housing project" shall mean any development *consisting of 16 or more housing units in a rural area or 24 or more housing units in an urban area* composed of ~~urban or rural~~ dwellings, apartments, or other living accommodations for persons of low income, *which is owned by a state public body and receives an ad valorem property tax exemption not substantially reimbursed to all taxing agencies and which is either* financed *with loans or grants* in whole or in part by the ~~Federal Government or a State public body~~ *federal government* or to which the ~~Federal Government or a State public body~~ *federal government* extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. For the purposes of this ~~Article~~ *article* only there shall be excluded from the term "low rent housing project" any ~~such~~ project where there shall be in existence on the effective date hereof, a contract for financial assistance between any state public body and the ~~Federal Government~~ *federal government* in respect to ~~such~~ *that* project *and any project whose operation does not have a significant negative impact on the revenues of the city, county, or city and county in which it is located and whose physical appearance does not have a significant negative impact on the surrounding community.*

(d) For the purposes of this ~~Article~~ *article* only "persons of low income" shall mean persons or families who lack the amount of income which is necessary (as determined by the state public body developing, constructing, or acquiring the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

(e) For the purposes of this ~~Article~~ *article* the term "state public body" shall mean this State, or any city, city and county, county, district, authority, agency, or any other subdivision or public body of this State.

(f) For the purposes of this ~~Article~~ *article* the term "~~Federal Government~~ *federal government*" shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America.

(g) Any proposal to develop, construct, or acquire low rent housing projects that was approved by the electors of a city, town, or county on or before November 3, 1992, pursuant to this article as it read on that date, and any low rent housing projects developed, constructed, or acquired pursuant to that approval, shall not be deemed to be invalid or superseded by the amendments to this article enacted on November 3, 1992, whether or not the approval is relied upon before or after November 3, 1992.

Number on ballot

169. **Budget Implementation.** (Statutes 1992, Resolution Chapter 114, SCA 32)

[Rejected by electors November 2, 1993.]

PROPOSED AMENDMENT TO ARTICLE IV, SECTION 9

SEC. 9. ~~A~~ *(a) Except as provided in subdivision (b), a* statute shall embrace but one subject, which shall be expressed in its title. If a statute embraces a subject not expressed in its title, only the part not expressed is void.

(b) One statute enacted during each calendar year of the biennium of the legislative session may embrace more than one subject if the statute makes changes in law that are directly related to the implementation of the appropriations in the Budget Act enacted that year, that fact is expressed in its title, and

the bill that enacts the statute is presented to the Governor at the same time as the bill that enacts the Budget Act. If the statute makes a change in law that is not directly related to the implementation of one or more appropriations in the Budget Act, that change is void. The Governor, while approving other portions of the bill that enacts the statute, may eliminate one or more changes in law. Changes in law eliminated shall be separately reconsidered and may be passed over the Governor's veto in the same manner as bills.

(c) A statute may not be amended by reference to its title. A section of a statute may not be amended unless the section is re-enacted as amended.

Number on ballot

170. **Property Taxes. Schools. Majority Vote. Development-Fee Limits.** (Statutes 1992, Resolution Chapter 135, ACA 6)

[Rejected by electors November 2, 1993.]

PROPOSED AMENDMENT TO ARTICLE XIII A, SECTION 1 AND ARTICLE XVI, SECTION 18

First—That Section 1 of Article XIII A thereof is amended to read:

Section 1. (a) The maximum amount of any ad valorem tax on real property shall not exceed ~~One~~ *one* percent (1%) of the full cash value of such property. The one percent (1%) tax ~~to~~ *shall* be collected by the counties and apportioned according to law to the districts within the counties.

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on ~~(1)~~ any *of the following:*

(1) Any indebtedness approved by the voters prior to July 1, 1978~~, or~~.

(2) ~~any~~ *Any* bonded indebtedness, *not subject to paragraph (3),* for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the ~~votes cast by the~~ voters voting on the proposition.

(3) Any bonded indebtedness incurred by a school district, county office of education, or community college district for the construction, reconstruction, or rehabilitation of school facilities, including the furnishing and equipping thereof, or the acquisition of real property therefor, approved by a majority of the voters voting on the proposition on or after the day after the date of the election at which Assembly Constitutional Amendment 6 of the 1991–92 Regular Session is approved.

(c) No ad valorem tax levied pursuant to subdivision (b) shall be deemed a special tax for purposes of this article.

(d) Section 65997 of the Government Code, as that section read on the effective date of this subdivision, has no force or effect.

Second—That Section 18 of Article XVI thereof is amended to read:

SEC. 18. *(a)* No county, city, town, township, board of education, or school district~~,~~ shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for ~~such~~ *that* year, without the assent of two-thirds of the ~~qualified electors~~ *voters* thereof, voting at an election to be held for that purpose, except that, with respect to any such public entity which is authorized to incur indebtedness for public school purposes, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the purpose of repairing, reconstructing, or replacing public school buildings determined, in the manner prescribed by law, to be

structurally unsafe for school use, shall be adopted upon the approval of a majority of the ~~qualified electors~~ *voters* of the public entity voting on the proposition at ~~such~~ *the* election; nor unless, before or at the time of incurring ~~such~~ *the* indebtedness, provision shall be made for the collection of an annual tax sufficient to pay the interest on ~~such~~ *the* indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the ~~same~~ *indebtedness*; provided, however, anything to the contrary herein notwithstanding, when two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when two-thirds or a majority of the ~~qualified electors~~ *voters*, as the case may be, voting on any one of ~~such~~ *those* propositions, vote in favor thereof, ~~such~~ *the* proposition shall be deemed adopted.

(b) Notwithstanding subdivision (a), on or after the day after the date of the election at which a majority of the voters voting in that election on Assembly Constitutional Amendment 6 of the 1991–92 Regular Session approve it, with respect to any school district, county office of education, or community college district, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, or rehabilitation of school facilities, including the furnishing and equipping thereof, or the acquisition of real property therefor, shall be adopted upon the approval of a majority of the voters of the district or county, as appropriate, voting on the proposition at an election held for that purpose.

INITIATIVE CONSTITUTIONAL AMENDMENT

Number on ballot

174. **Education. Vouchers.**

[Submitted by the initiative and rejected by electors November 2, 1993.]

PROPOSED LAW

THE PARENTAL CHOICE IN EDUCATION INITIATIVE

The following section, the "Parental Choice in Education Amendment," is hereby added to Article IX of the California Constitution:

Section 17. Purpose. The people of California, desiring to improve the quality of education available to all children, adopt this section to: (1) enable parents to determine which schools best meet their children's needs; (2) empower parents to send their children to such schools; (3) establish academic accountability based on national standards; (4) reduce bureaucracy so that more educational dollars reach the classroom; (5) provide greater opportunities for teachers; and (6) mobilize the private sector to help accommodate our burgeoning school-age population.

Therefore: All parents are hereby empowered to choose any school, public or private, for the education of their children, as provided in this section.

(a) Empowerment of Parents; Granting of Scholarships. The State shall annually provide a scholarship to every resident school-age child. Scholarships may be redeemed by the child's parent at any scholarship-redeeming school.

(1) The scholarship value for each child shall be at least fifty percent (50%) of the average amount of State and local government spending per public school student for education in kindergarten and grades one through twelve during the preceding fiscal year, calculated on a statewide basis, including every cost to the State, school districts, and county offices of education of maintaining kindergarten and elementary and secondary education, but excluding expenditures on scholarships granted pursuant to this section and excluding any unfunded pension liability associated with the public school system.

(2) Scholarship value shall be equal for every child in any given grade. In case of student transfer, the scholarship shall be prorated. The Legislature may award supplemental funds for reasonable transportation needs for low-income children and special needs attributable to physical impairment or learning disability. Nothing in this section shall prevent the use in any school of supplemental assistance from any source, public or private.

(3) If the scholarship amount exceeds the charges imposed by a scholarship-redeeming school for any year in which the student is in attendance, the surplus shall become a credit held in trust by the State for the student for later application toward charges at any scholarship-redeeming school or any institution of higher education in California, public or private, which meets the requirements imposed on scholarship-redeeming schools in paragraphs (1) and (3) of subdivision (b) of this section. Any surplus remaining on the student's twenty-sixth birthday shall revert to the state treasury.

(4) Scholarships provided hereunder are grants of aid to children through their parents and not to the schools in which the children are enrolled. Such scholarships shall not constitute taxable income. The parent shall be free to choose any scholarship-redeeming school, and such selection shall not constitute a decision or act of the State or any of its subdivisions. No other provision of this Constitution shall prevent the implementation of this section.

(5) Children enrolled in private schools on October 1, 1991, shall receive scholarships, if otherwise eligible, beginning with the 1995–96 fiscal year. All other children shall receive scholarships beginning with the 1993–94 fiscal year.

(6) The State Board of Education may require each public school and each scholarship-redeeming school to choose and administer tests reflecting national standards for the purpose of measuring individual academic improvement. Such tests shall be designed and scored by independent parties. Each school's composite results for each grade level shall be released to the public. Individual results shall be released only to the school and the child's parent.

(7) Governing boards of school districts shall establish a mechanism consistent with federal law to allocate enrollment capacity based primarily on parental choice. Any public school which chooses not to redeem scholarships shall, after district enrollment assignments based primarily on parental choice are complete, open its remaining enrollment capacity to children regardless of residence. For fiscal purposes, children shall be deemed residents of the school district in which they are enrolled.

(8) No child shall receive any scholarship under this section or any credit under paragraph (3) of this subdivision for any fiscal year in which the child enrolls in a non-scholarship-redeeming school, unless the Legislature provides otherwise.

(b) Empowerment of Schools; Redemption of Scholarships. A private school may become a scholarship-redeeming school by filing with the State Board of

Education a statement indicating satisfaction of the legal requirements which applied to private schools on October 1, 1991, and the requirements of this section.

(1) No school which discriminates on the basis of race, ethnicity, color, or national origin may redeem scholarships.

(2) To the extent permitted by this Constitution and the Constitution of the United States, the State shall prevent from redeeming scholarships any school which advocates unlawful behavior; teaches hatred of any person or group on the basis of race, ethnicity, color, national origin, religion, or gender; or deliberately provides false or misleading information respecting the school.

(3) No school with fewer than 25 students may redeem scholarships, unless the Legislature provides otherwise.

(4) Private schools, regardless of size, shall be accorded maximum flexibility to educate their students and shall be free from unnecessary, burdensome, or onerous regulation. No regulation of private schools, scholarship- redeeming or not, beyond that required by this section and that which applied to private schools on October 1, 1991, shall be issued or enacted, unless approved by a three-fourths vote of the Legislature or, alternatively, as to any regulation pertaining to health, safety, or land use imposed by any county, city, district, or other subdivision of the State, a two-thirds vote of the governmental body issuing or enacting the regulation and a majority vote of qualified electors within the affected jurisdiction. In any legal proceeding challenging such a regulation as inconsistent with this section, the governmental body issuing or enacting it shall have the burden of establishing that the regulation: (A) is essential to assure the health, safety, or education of students, or, as to any land use regulation, that the governmental body has a compelling interest in issuing or enacting it; (B) does not unduly burden or impede private schools or the parents of students therein; and (C) will not harass, injure, or suppress private schools.

(5) Notwithstanding paragraph (4) of this subdivision, the Legislature may (A) enact civil and criminal penalties for schools and persons who engage in fraudulent conduct in connection with the solicitation of students or the redemption of scholarships, and (B) restrict or prohibit individuals convicted of (i) any felony, (ii) any offense involving lewd or lascivious conduct, or (iii) any offense involving molestation or other abuse of a child, from owning, contracting with, or being employed by any school, public or private.

(6) Any school, public or private, may establish a code of conduct and discipline and enforce it with sanctions, including dismissal. A student who is deriving no substantial academic benefit or is responsible for serious or habitual misconduct related to the school may be dismissed.

(7) After the parent designates the enrolling school, the State shall disburse the student's scholarship funds, excepting funds held in trust pursuant to paragraph (3) of subdivision (a) of this section, in equal amounts monthly, directly to the school for credit to the parent's account. Monthly disbursals shall occur within 30 days of receipt of the school's statement of current enrollment.

(8) Expenditures for scholarships issued under this section and savings resulting from the implementation of this section shall count toward the minimum funding requirements for education established by Sections 8 and 8.5 of Article XVI. Students enrolled in scholarship- redeeming schools shall not be counted toward enrollment in public schools and community colleges for purposes of Sections 8 and 8.5 of Article XVI.

(c) Empowerment of Teachers; Conversion of Schools. Within one year after the people adopt this section, the Legislature shall establish an expeditious

process by which public schools may become independent scholarship-redeeming schools. Such schools shall be common schools under this article, and Section 6 of this article shall not limit their formation.

(1) Except as otherwise required by this Constitution and the Constitution of the United States, such schools shall operate under laws and regulations no more restrictive than those applicable to private schools under subdivision (b) of this section.

(2) Employees of such schools shall be permitted to continue and transfer their pension and health care programs on the same terms as other similarly situated participants employed by their school district so long as they remain in the employ of any such school.

(d) Definitions.

(1) "Charges" include tuition and fees for books, supplies, and other educational costs.

(2) A "child" is an individual eligible to attend kindergarten or grades one through twelve in the public school system.

(3) A "parent" is any person having legal or effective custody of a child.

(4) "Qualified electors" are persons registered to vote, whether or not they vote in any particular election. The alternative requirement in paragraph (4) of subdivision (b) of this section of approval by a majority vote of qualified electors within the affected jurisdiction shall be imposed only to the extent permitted by this Constitution and the Constitution of the United States.

(5) The Legislature may establish reasonable standards for determining the "residency" of children.

(6) "Savings resulting from the implementation of this section" in each fiscal year shall be the total amount disbursed for scholarships during that fiscal year subtracted from the product of (A) the average enrollment in scholarship-redeeming schools during that fiscal year multiplied by (B) the average amount of State and local government spending per public school student for education in kindergarten and grades one through twelve, calculated on a statewide basis, during that fiscal year.

(7) A "scholarship-redeeming school" is any school, public or private, located within California, which meets the requirements of this section. No school shall be compelled to become a scholarship-redeeming school. No school which meets the requirements of this section shall be prevented from becoming a scholarship-redeeming school.

(8) "State and local government spending" in paragraph (1) of subdivision (a) of this section includes, but is not limited to, spending funded from all revenue sources, including the General Fund, federal funds, local property taxes, lottery funds, and local miscellaneous income such as developer fees, but excluding bond proceeds and charitable donations. Notwithstanding the inclusion of federal funds in the calculation of "State and local government spending," federal funds shall constitute no part of any scholarship provided under this section.

(9) A "student" is a child attending school.

(e) Implementation. The Legislature shall implement this section through legislation consistent with the purposes and provisions of this section.

(f) Limitation of actions. Any action or proceeding contesting the validity of (1) this section, (2) any provision of this section, or (3) the adoption of this section, shall be commenced within six months from the date of the election at which this section is approved; otherwise this section and all of its provisions

shall be held valid, legal, and uncontestable. However, this limitation shall not of itself preclude an action or proceeding to challenge the application of this section or any of its provisions to a particular person or circumstance.

(g) Severability. If any provision of this section or the application thereof to any person or circumstance is held invalid, the remaining provisions or applications shall remain in force. To this end the provisions of this section are severable.

BOND ACT SUBMITTED BY LEGISLATURE

Number on ballot

173. **California Housing and Jobs Investment Bond Act. $185 Million Legislative Bond Act.** (Statutes 1993, Chapter 116, AB 215)

[Rejected by electors November 2, 1993.]

PROPOSED LAW

SEC. 3. Part 6.1 (commencing with Section 52534) is added to Division 31 of the Health and Safety Code, to read:

PART 6.1. CALIFORNIA HOUSING AND JOBS INVESTMENT BOND ACT

52534. This part shall be known and may be cited as the California Housing and Jobs Investment Bond Act.

52534.1. The Legislature finds and declares all of the following:

(a) The First-Time Home Buyers Bond Act of 1982 authorized two hundred million dollars ($200,000,000) in bonds for a program that became unworkable. There remains one hundred eighty-five million dollars ($185,000,000) in authorized but unissued bonds under the First-Time Home Buyers Bond Act of 1982.

(b) Pursuant to Section 1 of Article XVI of the California Constitution, the Legislature may reduce the amount of indebtedness authorized under a bond act approved by the voters to an amount not less than the amount issued under the bond act at the time of the reduction.

(c) It is desirable to reduce the authorized indebtedness under the First-Time Home Buyers Bond Act of 1982 to an amount equal to the amount of the bonds that have been issued under that act and seek the voters' approval of the expenditure of the unused portion of that amount, which will then be used to improve the availability of mortgage financing for residential housing for persons and families of low and moderate income as provided in Part 4 (commencing with Section 51600).

52534.2. As used in this part, the following terms have the following meanings:

(a) "Board" means the board of directors of the California Housing Finance Agency. The board shall be the "board" 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).

(b) "Committee" means the Housing Loan Insurance Bond Committee, which is hereby created, consisting of the Director of Finance, the Treasurer, the executive director of the agency, and the Controller. The Treasurer shall serve as chairperson of the committee. The committee shall be the "committee" as that term is used in the State General Obligation Bond Law.

(c) "Fund" means the California Housing Loan Insurance Fund as authorized by Section 51623.

52534.3. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the fund. Notwithstanding Section 13340 of the Government Code, all amounts in the fund are continuously appropriated for the purpose of mortgage guaranty insurance for low and moderate income first-time home buyers, as specified in Part 4 (commencing with Section 51600), and the expenses of sale of the bonds.

52534.4. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is hereby 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 part, and the provisions of that law are included in this part as though set out in full in this part. Section 16727 of the Government Code shall not apply to proceeds of bonds issued pursuant to this part.

52534.5. The committee is hereby authorized and empowered to create a debt or debts and a liability or liabilities of the State of California, in the aggregate amount of one hundred eighty-five million dollars ($185,000,000), not including the amount of any refunding bonds, or so much thereof as necessary, for carrying out the purposes specified in Section 52534.3, and shall be deposited in the fund. The proceeds of the bonds may also be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

52534.6. Notwithstanding Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the committee may, whenever it deems it necessary to effectuate this part or to conduct an effective sale, authorize the Treasurer to sell any issue of bonds under either, or both, of the following conditions:

(a) With interest payments to be made less frequently than semiannually, and an initial interest payment later than one year after the date of the bonds, if the interest payment date is not later than the maturity date of the bonds and is fixed to coincide, as nearly as the fund may deem it to be practicable, with the dates and amounts of the estimated revenues estimated to accrue to the fund pursuant to this part.

(b) At less than the par value thereof if necessary to an effective sale, but the discount pursuant to this subdivision shall not exceed 6 percent of the par value thereof.

52534.7. The committee, upon the request of the board, shall determine whether or not it is necessary or desirable to issue any bonds authorized under this part, 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 a time or times fixed by the Treasurer. The bonds may be sold with interest subject to federal income taxation.

52534.8. (a) All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually in the same manner and at the same time as other state revenue is collected, a sum, in addition to the ordinary revenues of the state, that 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 any additional sum.

52534.9. 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, 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.

52534.10. 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.

52534.11. Bonds issued and sold pursuant to this part 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.

52534.12. Notwithstanding any provision of this part or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this part the interest on which is intended to be excluded from gross income for federal tax purposes, the Treasurer shall be authorized to maintain separate accounts for the investment of bond proceeds and the investment earnings on these proceeds, and the Treasurer shall be authorized to use or direct the use of these proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

52534.13. 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 part. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this part. 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 for use in accordance with this part.

52534.14. The board shall determine annually whether the moneys earned from the use of the fund exceed the required program costs and reserves so that they should be transferred to the General Fund to repay the cost, which includes principal and interest, of the bonds issued pursuant to this part. In making this determination, the board of directors shall consider the capital and surplus reserve requirements, earnings, future business needs, regulatory costs, financial conditions, and any other factors appropriate to the prudent management of the programs prescribed pursuant to this part, and the board of directors shall use actuarially sound methods and generally accepted accounting principles.

52534.15. The Legislature may, from time to time, amend the provisions of law relating to programs to which funds are, or have been, allocated pursuant to Section 52534.5 for the purpose of improving the efficiency and effectiveness of the program. The Legislature may also, from time to time, amend the provisions of law relating to the programs to which funds are, or have been, allocated pursuant to Section 52534.5 for the purpose of furthering the goals of the program.

LIST OF OFFICERS

LIST OF OFFICERS

1993

STATE CAPITOL AND OTHER BUILDINGS

Sacramento 95814

Name	Office	Residence
Pete Wilson	Governor	San Diego
Leo T. McCarthy	Lieutenant Governor	San Francisco
March Fong Eu	Secretary of State	Los Angeles
Gray Davis	Controller	Los Angeles
Kathleen Brown	Treasurer	Los Angeles
Daniel E. Lungren	Attorney General	Roseville
John Garamendi	Insurance Commissioner	Walnut Grove
Vacant	Superintendent of Public Instruction	
Bion M. Gregory	Legislative Counsel	Sacramento

OFFICE OF GOVERNOR

Bob White ..... Chief of Staff
Charles Poochigian ..... Appointments Secretary
Joseph Rodota ..... Cabinet Secretary
Patricia Clarey ..... Deputy Chief of Staff
George Dunn ..... Deputy Chief of Staff
Joseph Shumante ..... Deputy Chief of Staff, External Affairs
Bill Hauck ..... Consultant
Fred L. Beteta, Jr. ..... Advance Director
Janice Rogers Brown ..... Legal Affairs Secretary
Maureen Higgins ..... Legislative Secretary
Margo Reid ..... Scheduling Secretary
Dan Schnur ..... Director of Communications and Press Relations
Mark Davis ..... Public Affairs Director
Richard Sybert ..... Director of Planning & Research
Bella Meese ..... Director of Community Relations
Alexa Vuksich ..... Director of Special Projects
Ira Goldman ..... Spec. Asst. & Trade Rep.

Offices: State Capitol, Sacramento 95814

STATE BOARD OF EQUALIZATION

P. O. Box 942879, Sacramento 94279-0001

Name	Office	Residence
Vacant	Board Member, First District	
Brad Sherman	Board Member, Second District	Los Angeles
Ernest J. Dronenburg, Jr.	Board Member, Third District	San Diego
Matthew K. Fong	Board Member, Fourth District	Los Angeles
Gray Davis (Controller)	Ex-Officio Member	Los Angeles
Burton W. Oliver	Executive Director	Sacramento

LEGISLATIVE DEPARTMENT

UNITED STATES SENATORS

Dianne Feinstein (D) ..... 331 Hart Senate Office Building
Washington, D.C. 20510
11111 Santa Monica Blvd., #915, Los Angeles 90025
1700 Montgomery Street, #305, San Francisco 94111
750 B Street, #1030, San Diego 92188

Barbara Boxer (D) ..... 112 Hart Senate Office Building
Washington, D.C. 20510
2250 E. Imperial Hwy., #545, El Segundo 90245
1700 Montgomery Street, #240, San Francisco 94111

REPRESENTATIVES IN CONGRESS

Name	Party	District	Counties	Main District Office*
Baker, Bill	R	10	Alameda, Contra Costa	1801 N. California, #103 Walnut Creek 94596
Becerra, Xavier	D	30	Los Angeles	2433 Colorado Blvd. Los Angeles 90041
Beilenson, Anthony C.	D	24	Los Angeles, Ventura	21031 Ventura Blvd., #1010 Woodland Hills 91364
Berman, Howard L.	D	26	Los Angeles	14600 Roscoe Blvd., # 508, Panorama City 91402
Brown, George E.	D	42	San Bernardino	657 N. La Cadena Dr. Colton 92324
Calvert, Ken	R	43	Riverside	P.O. Box 5-1992 Riverside 92517
Condit, Gary	D	18	Fresno, Madera, Merced, San Joaquin, Stanislaus	920 13th St. Modesto 95354
Cox, Christopher C.	R	47	Orange	4000 MacArthur Blvd., #430 Newport Beach 92660
Cunningham, Randy	R	51	San Diego	13832 Mercado Dr. Del Mar 92014
Dellums, Ronald V.	D	9	Alameda	201 13th St., #105 Oakland 94612
Dixon, Julian	D	32	Los Angeles	5100 W. Goldleaf Cir., #208 Los Angeles 90056
Dooley, Calvin M.	D	20	Fresno, Kern, Kings, Tulare	711 N. Court St. Visalia 93279
Doolittle, John T.	R	4	Alpine, Amador, Calaveras, El Dorado, Mono, Placer, Sacramento, Tuolumne	2130 Professional Dr., #190 Roseville 95661
Dornan, Robert K.	R	46	Orange	300 Alicante Plaza, #360 Garden Grove 92640
Dreier, David	R	28	Los Angeles	112 N. Second Ave. Covina 91723
Edwards, Don	D	16	Santa Clara	1042 W. Hedding St., #100 San Jose 95126
Eshoo, Anna G.	D	14	San Mateo, Santa Clara	40 Isabella Ave. Atherton 94072
Fazio, Vic	D	3	Butte, Colusa, Glenn, Sacramento, Solano, Sutter, Tehama, Yolo	2525 Natomas Park Dr., #330 Sacramento 95833
Filner, Bob	D	50	San Diego	P.O. Box 127868 San Diego 92112
Gallegly, Elton	R	23	Santa Barbara, Ventura	P.O. Box 3789 Simi Valley 93093
Hamburg, Dan	D	1	Del Norte, Humboldt, Lake, Mendocino, Napa, Solano, Sonoma	1330 Boonville Rd. Ukiah 95482
Harman, Jane	D	36	Los Angeles	One Westwind St. Marina del Rey 90292
Herger, Wally	R	2	Butte, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Trinity, Yuba	55 Declaration Dr., #104 Chico 95926
Horn, Steve	R	38	Los Angeles	3944 Pine Ave. Long Beach 90802
Huffington, Michael	R	22	San Luis Obispo, Santa Barbara	757 River Rock Rd. Santa Barbara 93108
Hunter, Duncan	R	52	Imperial, San Diego	4 The Inlet Coronado 92118
Kim, Jay C.	R	41	Los Angeles, Orange, San Bernardino	P.O. Box 4353 Diamond Bar 91765

REPRESENTATIVES IN CONGRESS—Continued

Name	Party	District	Counties	Main District Office*
Lantos, Tom	D	12	San Francisco, San Mateo	1230 Southdown Rd. Hillsborough 94010
Lehman, Richard H.	D	19	Fresno, Madera, Mariposa, Tulare	P.O. Box 829 Fresno 93712
Lewis, Jerry	R	40	Inyo, San Bernardino	1294 W. Sunset Dr. Redlands 92373
Martinez, Matthew G.	D	31	Los Angeles	400 North Montebello Blvd., #100 Montebello 90640
Matsui, Robert T.	D	5	Sacramento	650 Capitol Mall, #8058 Sacramento 95814
McCandless, Alfred E.	R	44	Riverside	P.O. Box 1495 Palm Desert 92261
McKeon, Howard P.	R	25	Los Angeles	18960 Soledad Cyn. Rd. Santa Clarita 91351
Miller, George	D	7	Contra Costa, Solano	367 Civic Dr., #14 Pleasant Hill 94523
Mineta, Norman Y.	D	15	Santa Clara, Santa Cruz	1245 S. Winchester Blvd. San Jose 95128
Moorhead, Carlos J.	R	27	Los Angeles	420 N. Brand Blvd., #304, Glendale 91203
Packard, Ron	R	48	Orange, Riverside, San Diego	221 E. Vista Way, #205 Vista 92084
Pelosi, Nancy	D	8	San Francisco	2640 Broadway San Francisco 94115
Pombo, Richard	R	11	Sacramento, San Joaquin	2825 N. Naglee Rd. Tracy 95367
Rohrabacher, Dana	R	45	Orange	16162 Beach Blvd., #304 Huntington Beach 92674
Roybal-Allard, Lucille	D	33	Los Angeles	225 E. Temple St., #1860 Los Angeles 90012
Royce, Edward	R	39	Los Angeles, Orange	305 N. Harbor Blvd., #300 Fullerton 92632
Schenk, Lynn	D	49	San Diego	8304 Clairemont Mesa San Diego 92111
Stark, Fortney P.	D	13	Alameda, Santa Clara	22320 Foothill Blvd., #500 Hayward 94541
Thomas, William M.	R	21	Kern, Tulare	P.O. Box 93301 Bakersfield 93301
Torres, Esteban E.	D	34	Los Angeles	8819 Whittier Blvd. Pico Rivera 90660
Tucker, Walter	D	37	Los Angeles	322 W. Compton Blvd., #100 Compton 90220
Waters, Maxine	D	35	Los Angeles	4509 S. Broadway Los Angeles 90037
Waxman, Henry A.	D	29	Los Angeles	8436 W. 3rd St., #600 Los Angeles 90048
Woolsey, Lynn	D	6	Marin, Sonoma	1301 Redwood Way, #205 Petaluma 94954
(Vacant)		17	Monterey, San Benito, Santa Cruz	

* During Sessions of Congress, mail for Members of the Senate may be addressed: United States Senate, Washington, D.C. 20510, and Members of the House of Representatives: United States House of Representatives, Washington, D.C. 20515.

THE STATE LEGISLATURE

MEMBERS OF THE SENATE

Name	Occupation	Party	Dist.	Counties	District Address
Alquist, Alfred E.	Full-time Legislator	D	13	Santa Clara	100 Paseo de San Antonio, San Jose 95113
Ayala, Ruben S.	Insurance	D	34	Los Angeles, San Bernardino	9620 Center Avenue, Suite 100, Rancho Cucamonga 91730
Bergeson, Marian	Full-time Legislator	R	35	Orange	140 Newport Center Dr., Suite 120, Newport Beach 92660
Beverly, Robert G.	Attorney	R	27	Los Angeles	1611 S. Pacific Coast Highway, Suite 102, Redondo Beach 90277; 638 S. Beacon St., Suite 508, San Pedro 90731
Boatwright, Daniel	Attorney	D	7	Alameda, Contra Costa	1001 Galaxy Way, Suite 210, Concord 94520; 420 W. Third Street, Antioch 94509
Calderon, Charles M.	Attorney	D	26	Los Angeles	400 N. Montebello Blvd., #101, Montebello 90640
Craven, William A.	Full-time Legislator	R	38	San Diego	2121 Palomar Airport Rd., Suite 100, Carlsbad 92008
Dills, Ralph C.	Full-time Legislator	D	30	Los Angeles	16921 S. Western Ave., Suite 201, Gardena 90247
Greene, Leroy F.	Civil Engineer	D	6	Sacramento	P.O. Box 254646, Sacramento 95825
Hart, Gary	Educator	D	18	Los Angeles, Santa Barbara, Ventura	1216 State St., Room 507, Santa Barbara 93101
Hayden, Tom	Teacher	D	23	Los Angeles	10951 W. Pico Blvd., #202, Los Angeles 90064
Hill, Frank	Full-time Legislator	R	29	Los Angeles	15820 Whittier Blvd., Suite H, Whittier 90603
Hughes, Teresa	Education-Professor	D	25	Los Angeles	1 Manchester Blvd., Suite 401, Inglewood 90301
Hurtt, Rob	Businessman	R	32	Orange	11642 Knott St., Suite 8, Garden Grove 92641
Johnston, Patrick	Full-time Legislator	D	5	Sacramento, San Joaquin	1020 N St., Suite 504, Sacramento 95814; 31 East Channel St., Room 440, Stockton 95202
Kelley, David G.	Citrus Rancher	R	37	Imperial, Riverside, San Diego	11440 W. Bernardo Court, Suite 104, San Diego 92127; 73-710 Fred Waring Drive., Suite 108, Palm Desert 92260
Killea, Lucy L.	Full-time Legislator	I	39	San Diego	2550 5th Ave., Suite 152, San Diego 92103
Kopp, Quentin L.	Attorney at Law	I	8	San Francisco, San Mateo	363 El Camino Real, Suite 205, South San Francisco 94080
Leonard, Bill	Legislator/Businessman	R	31	Riverside, San Bernardino	400 North Mountain Ave., Suite 109, Upland 91786
Leslie, Tim	Realtor	R	1	Alpine, Amador, Butte, Calaveras, El Dorado, Lassen, Modoc, Mono, Nevada, Placer, Plumas, Sierra, Yuba	1200 Melody Lane, Suite 110, Roseville 95678
Lewis, John R.	Businessman	R	33	Orange	1940 W. Orangewood Ave., Suite 106, Orange 92668
Lockyer, Bill	Full-time Legislator	D	10	Alameda	22634 Second St., Suite 104, Hayward 94541
Maddy, Ken	Attorney	R	14	Fresno, Madera, Mariposa, Merced, Monterey, San Luis Obispo, Santa Barbara	2503 West Shaw Ave., Suite 101, Fresno 93711; 19901 W. 1st Street, Suite 2, Hilmar 95324
Marks, Milton	Attorney	D	3	Marin, San Francisco, Sonoma	711 Van Ness Ave., Suite 310, San Francisco 94102; 30 N. San Pedro Rd., Suite 160, San Rafael 94903

MEMBERS OF THE SENATE—Continued

Name	Occupation	Party	Dist.	Counties	District Address
McCorquodale, Dan	Educator	D	12	Madera, Mariposa, Merced, Tuolumne, Stanislaus	1020 15th St., Suite B, Modesto 95354
Mello, Henry	Farmer/ Businessman	D	15	Monterey, San Benito, Santa Clara, Santa Cruz	1200 Aguajito Road, Monterey 93940; 701 Ocean Street, Room 318A, Santa Cruz 95060; 240 Church Street, Room 115, Salinas 93901; 92 Fifth Street, Gilroy 95020
Petris, Nicholas C.	Attorney	D	9	Alameda, Contra Costa	1970 Broadway, Suite 1020, Oakland 94612; 2560 MacDonald Ave., Richmond 94804
Presley, Robert B.	Law Enforcement	D	36	Riverside	3600 Lime St., Room 111, Riverside 92501
Roberti, David	Attorney	D	20	Los Angeles	6150 Van Nuys Blvd, Suite 400, Van Nuys 91401
Rogers, Don	Geological Consultant	R	17	Inyo, Kern, Los Angeles, San Bernardino	P.O. Box 902725, Palmdale 93590
Rosenthal, Herschel	Full-time Legislator	D	22	Los Angeles	1950 Sawtelle Blvd., Suite 210, Los Angeles 90025
Russell, Newton R.	Full-time Legislator	R	21	Los Angeles	401 North Brand Blvd., Suite 424, Glendale 91203
Thompson, Mike	Full-time Representative.	D	2	Del Norte, Humboldt, Mendocino, Solano, Sonoma	1040 Main St., Suite 101, Napa 94558; 50 D St., Suite 120A, Santa Rosa 95404
Torres, Art	Full-time Legislator	D	24	Los Angeles	101 S. Broadway, Suite 2105, Los Angeles 90012
Watson, Diane	Educator-School Psychologist	D	28	Los Angeles	4401 Crenshaw Blvd., Suite 300, Los Angeles 90043
Wright, Cathie	Full-time Legislator	R	19	Los Angeles, Ventura	2345 Erringer Rd., Suite 212, Simi Valley 93065
Wyman, Phil	Rancher-Businessman	R	16	Kern, Kings, Los Angeles, San Bernardino	1326 H St., Suite 15, Bakersfield 93301
Vacancy			4	Butte, Colusa, Glenn, Lake, Napa, Shasta, Sonoma, Tehama	
Vacancy			11	San Mateo, Santa Clara	
Vacancy			40	San Diego	

OFFICERS AND ATTACHÉS OF THE SENATE

Title	Name	Capitol Office
President of Senate	Leo McCarthy	1114 State Capitol
President pro Tempore	David Roberti	205 State Capitol
Secretary of Senate	Rick Rollens	3044 State Capitol
Sergeant at Arms	Tony Beard	3030 State Capitol
Chaplain	Rev. Deacon Walter J. Little III	3044 State Capitol
Chief Assistant Secretary	John W. Rovane IV	3044 State Capitol
Minute Clerk	Walter J. Little III	3044 State Capitol
History Clerk	David H. Kneale	3044 State Capitol
Assistant Secretary	Steve Hummelt	3044 State Capitol
File Clerk	Carl Bomar	3044 State Capitol
Engrossing and Enrolling Clerk	Marie Harlan	B30 State Capitol

MEMBERS OF THE ASSEMBLY

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Aguiar, Fred	Legislator/ Businessman	R	61	5126	Los Angeles, San Bernardino	304 West F St., Ontario 91762
Alby, Barbara	Businesswoman	R	5	6017	Sacramento	4811 Chippendale Dr., Suite 304B, Sacramento 95841
Allen, Doris	Small Business Owner	R	67	4153	Orange	5252 Orange Ave., Suite 100, Cypress 90630
Alpert, Dede	Full-time Legislator	D	78	3173	San Diego	3262 Holiday Court, La Jolla 92037
Andal, Dean	Businessman	R	17	4167	San Joaquin	31 E. Channel St., Suite 306, Stockton 95202
Archie-Hudson, Marguerite	Administrator/ Educator	D	48	5016	Los Angeles	8510 S. Broadway, Los Angeles 90003
Areias, Rusty	Dairy Farmer	D	28	5136	Monterey, San Benito, Santa Clara Santa Cruz	140 Central Ave., Salinas 93901
Baca, Joe	Businessman/ Legislator	D	62	5128	San Bernardino	201 North E St., San Bernardino 92401
Bates, Tom	Full-time Legislator	D	14	446	Alameda, Contra Costa	1414 Walnut St., Suite 9, Berkeley 94709
Boland, Paula	Realtor/ Businesswoman.	R	38	3098	Los Angeles, Ventura	10727 White Oak Ave., Suite 124, Granada Hills 91344
Bornstein, Julie	Legislator/ College Instructor	D	80	2179	Imperial, Riverside	72-880 Fred Waring Dr., Suite A-4, Palm Desert 92260
Bowen, Debra	Public Law Attorney	D	53	3126	Los Angeles	18411 Crenshaw Blvd., Suite 280, Torrance 90504
Bowler, Larry	Retired Sheriff's Lieutenant	R	10	3147	Sacramento, San Joaquin	10370 Old Placerville Rd., Suite 106, Sacramento 95827
Bronshvag, Vivien	Interior Designer	D	6	4139	Marin, Sonoma	100 Smith Ranch Road, Suite 308, San Rafael 94903
Brown, Valerie	Educator/ Businesswoman.	D	7	2130	Napa, Solano, Sonoma.	50 D St, Suite 301, Santa Rosa 95404
Brown, Willie L., Jr.	Attorney	D	13	219	San Francisco	1388 Sutter St., Suite 1002, San Francisco 94109
Brulte, James	Full-time Legislator	R	63	2114	San Bernardino	10681 Foothill Blvd., Suite 325, Rancho Cucamonga 91730
Burton, John	Attorney	D	12	3152	San Francisco, San Mateo	711 Van Ness Ave., Suite 300, San Francisco 94102
Bustamante, Cruz M.	Full-time Legislator	D	31	4144	Fresno, Tulare	2550 Mariposa, Suite 5006, Fresno 93721
Caldera, Louis	Attorney	D	46	2176	Los Angeles	304 S. Broadway, Suite 580, Los Angeles 90013
Campbell, Robert	Insurance Broker.	D	11	2163	Contra Costa	815 Estudillo St., Martinez 94553
Cannella, Sal	Full-time Legislator	D	26	5155	Merced, San Joaquin, Stanislaus	950 10th St., Suite 8, Modesto 95354
Connolly, Tom	Child's Advocate	D	77	2170	San Diego	3293 Olive St., Lemon Grove 91945
Conroy, Mickey	USMC (Ret.)/ Businessman	R	71	4102	Orange	1940 N. Tustin, #102, Orange 92665
Cortese, Dominic	Farmer/ Businessman	D	23	6031	Santa Clara	100 Paseo de San Antonio, Suite 300, San Jose 95113
Costa, Jim	Full-time Legislator	D	30	2158	Fresno, Kern, Kings, Madera	1111 Fulton Mall, Suite 914, Fresno 93721
Eastin, Delaine	Full-time Legislator	D	20	3013	Alameda, Santa Clara.	39650 Liberty St., Suite 160, Fremont 94538
Epple, Bob	Attorney	D	56	4126	Los Angeles	4425 Atlantic Ave., Suite 22, Long Beach 90807
Escutia, Martha	Attorney	D	50	2137	Los Angeles	3512 E. Florence Ave., Suite 201, Huntington Park 90255
Vacancy			27	3120	Monterey, Santa Cruz	1200 Aguajito Road, Monterey 93940

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Ferguson, Gil	Business Owner	R	70	5135	Orange	4667 MacArthur Blvd., Suite 305, Newport Beach 92660
Frazee, Robert	Businessman	R	74	6028	San Diego	2121 Palomar Airport Road, Suite 105, Carlsbad 92009
Friedman, Barbara	Full-time Legislator	D	40	5150	Los Angeles	3400 West Sixth St., Suite 401, Los Angeles 90020
Friedman, Terry B.	Attorney	D	41	2141	Los Angeles	14144 Ventura Blvd., Suite 100, Sherman Oaks 91423
Goldsmith, Jan	Full-time Legislator	R	75	2002	San Diego	12307 Oak Knoll, Suite A, Poway 92064
Gotch, Mike	Full-time Legislator	D	76	3120	San Diego	1080 University Ave., Suite H-201, San Diego 92103
Hannigan, Tom	Realtor	D	8	3104	Sacramento, Solano, Yolo	844 Union Ave., Suite A, Fairfield 94533
Harvey, Trice	Full-time Legislator	R	32	4162	Kern, Tulare	1800 30th St., Suite 101, Bakersfield 93301
Hauser, Dan	Full-time Legislator	D	1	2003	Del Norte, Humboldt, Lake, Mendocino, Sonoma	State Building, 50 D St., Suite 450, Santa Rosa 95404
Haynes, Ray	Businessman	R	66	4158	Riverside, San Diego	29377 Rancho California Road, Suite 102, Temecula 92591
Hoge, Bill	Businessman	R	44	4177	Los Angeles	1276 E. Colorado Blvd., Suite 203, Pasadena 91106
Honeycutt, Kathleen	Businesswoman/ Homemaker	R	34	4009	Inyo, Kern, San Bernardino	15888 Main St., Suite 202, Hesperia 92345
Horcher, Paul	Attorney	R	60	3123	Los Angeles	16209 E. Whittier Blvd., Whittier 90603
Isenberg, Phil	Attorney	D	9	6005	Sacramento	1215 15th St., Suite 102, Sacramento 95814
Johnson, Ross	Attorney	R	72	3151	Orange	1501 N. Harbor Blvd., Suite 201, Fullerton 92635
Jones, Bill	Businessman/ Rancher	R	29	5160	Fresno, Tulare	2929 W. Main St., Suite J, Visalia 93291
Karnette, Betty	Teacher (Retired) / Legislator	D	54	5158	Los Angeles	211 E. Ocean, Suite 300, Long Beach 90802
Katz, Richard	Small Businessman	D	39	3146	Los Angeles	9140 Van Nuys Blvd., Suite 109, Panorama City 91402
Klehs, Johan	Full-time Legislator	D	18	2013	Alameda	2450 Washington Ave., Suite 270, San Leandro 94577
Knight, W. J. "Pete"	Full-time Legislator	R	36	2196	Los Angeles	1529 E. Palmdale Blvd., Suite 308, Palmdale 93550
Knowles, David	Small Businessman/ Legislator	R	4	5175	Alpine, Amador, Calaveras, El Dorado, Mono, Placer	3161 Cameron Park Dr., #214, Cameron Park 95682
Lee, Barbara	Full-time Legislator	D	16	4146	Alameda	405 14th St., Suite 715, Oakland 94612
Margolin, Burt	Full-time Legislator	D	42	4112	Los Angeles	8425 West 3rd St., Suite 406, Los Angeles 90048
Martinez, Diane	Full-time Legislator	D	49	5119	Los Angeles	320 S. Garfield Ave., Suite 202, Alhambra 91801
McDonald, Juanita	Educator/ Administrator	D	55	4005	Los Angeles	1 Civic Plaza Dr., Suite 320, Carson 90745
Moore, Gwen	Full-time Legislator	D	47	2117	Los Angeles	3683 Crenshaw Blvd., 5th Floor, Los Angeles 90016
Morrow, Bill	Attorney	R	73	2111	Orange, San Diego	3088 Pio Pico, Carlsbad 92008
Mountjoy, Richard	General Contractor	R	59	2175	Los Angeles	208 North 1st Ave., Arcadia 91006

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Murray, Willard	Full-time Legislator	D	52	3091	Los Angeles	16444 South Paramount Blvd., Suite 100, Paramount 90723
Napolitano, Grace	Full-time Legislator	D	58	6011	Los Angeles	P.O. Box 408, Norwalk 90650
Nolan, Pat	Attorney	R	43	4164	Los Angeles	143 South Glendale Ave., Suite 208, Glendale 91205
O'Connell, Jack	Teacher	D	35	3160	Santa Barbara, Ventura	228 W. Carrillo, Suite F, Santa Barbara 93101
Peace, Steve	Businessman	D	79	2148	San Diego	430 Davidson, Suite B, Chula Vista 92010
Polanco, Richard	Full-time Legislator	D	45	2188	Los Angeles	110 North Avenue 56, Los Angeles 90042
Pringle, Curt	Small Businessman	R	68	4208	Orange	12865 Main St., Suite 100, Garden Grove 92640
Quackenbush, Charles	Businessman	R	24	4130	Santa Clara, Santa Cruz	456 El Paseo de Saratoga, San Jose 95130
Rainey, Richard	Full-time Legislator	R	15	4015	Alameda, Contra Costa	P.O. Box 4893, Walnut Creek 94596
Richter, Bernie	Businessman	R	3	4017	Butte, Lassen, Modoc, Nevada, Plumas, Sierra, Yuba	2545 Zanella Way, Suite D, Chico 95928
Seastrand, Andrea	Full-time Legislator	R	33	3141	San Luis Obispo, Santa Barbara	523 Higuera St., San Luis Obispo 93401
Sher, Byron	Law Professor	D	21	2136	San Mateo, Santa Clara	702 Marshall St., Suite 290, Redwood City 94063
Snyder, Margaret	Paralegal	D	25	5144	Fresno, Madera, Mariposa, Stanislaus, Tuolumne	1608 Sunrise, Suite B, Modesto 95350
Solis, Hilda	Full-time Legislator	D	57	4117	Los Angeles	218 N. Glendora Ave., Suite D, La Puente 91744
Speier, Jackie	Attorney	D	19	4140	San Mateo	220 South Spruce St., Suite 101, South San Francisco 94080
Statham, Stan	Businessman	R	2	4098	Butte, Colusa, Glenn, Shasta, Siskiyou, Sutter, Tehama, Trinity, Yolo	410 Hemstead Dr., Suite 210, Redding 96002
Takasugi, Nao	Businessman/ Legislator	R	37	2016	Ventura	221 E. Dailey Dr., Suite 7, Camarillo 93010
Tucker, Curtis, Jr.	Full-time Legislator	D	51	4016	Los Angeles	P.O. Box 6500, 1 Manchester Blvd., Inglewood 90306
Umberg, Tom	Criminal Prosecutor	D	69	448	Orange	12822 Garden Grove Blvd., Suite A, Garden Grove 92643
Vasconcellos, John	Lawyer	D	22	6026	Santa Clara	100 Paseo de San Antonio, #106, San Jose 95113
Weggeland, Ted	Businessman	R	64	2174	Riverside	6840 Indiana Ave., Suite 150, Riverside 92506
Woodruff, Paul	Businessman	R	65	5164	Riverside, San Bernardino	300 E. State St., Suite 480, Redlands 92373

OFFICERS OF THE ASSEMBLY

Name	Title	Mailing Address
Brown, Willie L., Jr.	Speaker	1388 Sutter St., Suite 1002, San Francisco 94109
O'Connell, Jack	Speaker pro Tempore	228 W. Carrillo, Suite F, Santa Barbara 93101
Polanco, Richard	Assistant Speaker pro Tempore	110 North Avenue 56, Los Angeles 90042
Hannigan, Thomas	Majority Floor Leader	844 Union Ave., Suite A, Fairfield 94533
Brulte, James	Minority Floor Leader	10681 Foothill Boulevard, Suite 325, Rancho Cucamonga 91730
E. Dotson Wilson	Chief Clerk	State Capitol, Room 3196, Sacramento 95814
Bell, Charles E.	Sergeant at Arms	State Capitol, Room 3171, Sacramento 95814
Boswell, Hamilton T.	Chaplain	225 Water St., Point Richmond 94801

STATE JUDICIAL DEPARTMENT

SUPREME COURT JUSTICES AND OFFICERS

Terms of Court

Sessions of Court are held at San Francisco, Los Angeles and Sacramento

JUSTICES

Hon. Malcolm M. Lucas ..... Chief Justice
Hon. Stanley Mosk ..... Associate Justice
Hon. Edward A. Panelli ..... Associate Justice
Hon. Joyce L. Kennard ..... Associate Justice
Hon. Armand Arabian ..... Associate Justice
Hon. Marvin R. Baxter ..... Associate Justice
Hon. Ronald M. George ..... Associate Justice
Robert F. Wandruff ..... Clerk/Administrator

COURTS OF APPEAL

FIRST APPELLATE DISTRICT

DIVISION ONE

Hon. Gary E. Strankman ..... Presiding Justice
Hon. William A. Newsom ..... Associate Justice
Hon. Robert Dossee ..... Associate Justice
Hon. William D. Stein ..... Associate Justice

DIVISION TWO

Hon. J. Anthony Kline ..... Presiding Justice
Hon. Jerome A. Smith ..... Associate Justice
Hon. John E. Benson ..... Associate Justice
Hon. Michael J. Phelan ..... Associate Justice

DIVISION THREE

Hon. Clinton W. White ..... Presiding Justice
Hon. Ming Chin ..... Associate Justice
Hon. Robert Merrill ..... Associate Justice
Hon. Kathryn Werdegar ..... Associate Justice

DIVISION FOUR

Hon. Carl W. Anderson ..... Presiding Justice
Hon. Marcel B. Poche ..... Associate Justice
Hon. Timothy Reardon ..... Associate Justice
Hon. James F. Perley ..... Associate Justice

DIVISION FIVE

Hon. J. Clinton Peterson ..... Presiding Justice
Hon. Donald B. King ..... Associate Justice
Hon. Zerne P. Haning ..... Associate Justice
Ron D. Barrow ..... Clerk

303 Second Street, Suite 600, Marathon Plaza—South Tower, San Francisco 94107

SECOND APPELLATE DISTRICT

DIVISION ONE

Hon. Vaino Spencer ..... Presiding Justice
Hon. Miriam A. Vogel ..... Associate Justice
Hon. Reuben A. Ortega ..... Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION TWO

Hon. Donald N. Gates ..... Presiding Justice
Hon. Michael G. Nott ..... Associate Justice
Hon. Morio L. Fukuto ..... Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION THREE

Hon. Joan D. Klein ..... Presiding Justice
Hon. Edward A. Hinz ..... Associate Justice
Hon. H. Walter Croskey ..... Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION FOUR

Hon. Arleigh Woods ..... Presiding Justice
Hon. Norman L. Epstein ..... Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION FIVE

Hon. Paul R. Turner ..... Presiding Justice
Hon. Herbert L. Ashby ..... Associate Justice
Hon. Margaret Grignon ..... Associate Justice
Hon. Roger W. Boren ..... Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION SIX

Hon. Steven Stone ..... Presiding Justice
Hon. Arthur Gilbert ..... Associate Justice
Hon. Kenneth R. Yegan ..... Associate Justice

1280 So. Victoria Ave., Ventura 93003

DIVISION SEVEN

Hon. Mildred L. Lillie ..... Presiding Justice
Hon. Earl Johnson ..... Associate Justice
Hon. Fred Woods ..... Associate Justice
Robert N. Wilson ..... Clerk

300 So. Spring St., Los Angeles 90013

THIRD APPELLATE DISTRICT

Hon. Robert K. Puglia ..... Presiding Justice
Hon. Coleman A. Blease ..... Associate Justice
Hon. Keith F. Sparks ..... Associate Justice
Hon. Richard M. Sims III ..... Associate Justice
Hon. Rodney Davis ..... Associate Justice
Hon. Arthur G. Scotland ..... Associate Justice
Hon. George W. Nicholson ..... Associate Justice
Hon. Vance W. Raye ..... Associate Justice
Robert L. Liston ..... Clerk

914 Capitol Mall, Room 100, Sacramento 95814

FOURTH APPELLATE DISTRICT

DIVISION ONE

Hon. Daniel J. Kremer ..... Presiding Justice
Hon. Howard B. Wiener ..... Associate Justice
Hon. Don R. Work ..... Associate Justice
Hon. William L. Todd, Jr. ..... Associate Justice
Hon. Patricia D. Benke ..... Associate Justice
Hon. Richard D. Huffman ..... Associate Justice
Hon. Charles W. Froehlich ..... Associate Justice
Hon. Gilbert Nares ..... Associate Justice
Stephen M. Kelly ..... Clerk

750 B St., Suite 300, San Diego 92101

DIVISION TWO

Hon. Manuel A. Ramirez ..... Presiding Justice
Hon. Howard M. Dabney ..... Associate Justice
Hon. Thomas E. Hollenhorst ..... Associate Justice
Hon. Robert J. Timlin ..... Associate Justice
Hon. Art W. McKinster ..... Associate Justice
Stephen M. Kelly ..... Clerk

303 W. Fifth St., San Bernardino 92401

DIVISION THREE

Hon. David G. Sills ..... Presiding Justice
Hon. Thomas F. Crosby ..... Associate Justice
Hon. Edward J. Wallin ..... Associate Justice
Hon. Sheila Prell Sonenshine ..... Associate Justice
Hon. Henry T. Moore, Jr. ..... Associate Justice
Stephen M. Kelly ..... Clerk

925 No. Spurgeon St., Santa Ana 92701

FIFTH APPELLATE DISTRICT

Hon. Hollis G. Best ..... Presiding Justice
Hon. Robert L. Martin ..... Associate Justice
Hon. William A. Stone ..... Associate Justice
Hon. James A. Ardaiz ..... Associate Justice
Hon. Nickolas J. Dibiaso ..... Associate Justice
Hon. Steven M. Vartabedian ..... Associate Justice
Hon. James F. Thaxter ..... Associate Justice
Hon. Thomas A. Harris ..... Associate Justice
Hon. Timothy S. Buckley ..... Associate Justice
Kevin A. Swanson ..... Clerk

2525 Capitol Street, Fresno 93721

SIXTH APPELLATE DISTRICT

Hon. Christopher C. Cottle ..... Presiding Justice
Hon. Patricia Bamattre-Manoukian ..... Associate Justice
Hon. Franklin D. Elia ..... Associate Justice
Hon. Eugene M. Premo ..... Associate Justice
Hon. Walter P. Capaccioli ..... Associate Justice
Michael J. Yerly ..... Clerk

333 West Santa Clara Street, Suite 1060, San Jose 95113

PUBLIC UTILITIES COMMISSION

Daniel Wm. Fessler ..... President
Patricia M. Eckert ..... Commissioner
Norman D. Shumway ..... Commissioner
Vacant ..... Commissioner
Neal J. Shulman ..... Executive Director

WORKERS' COMPENSATION APPEALS BOARD

Diana Marshall ..... Chairperson
John Oda ..... Member
Jacob Margosian ..... Member
Arlene Heath ..... Member
Jane Wiegand ..... Member
Richard (Dick) Gannon ..... Member

TABLE OF LAWS ENACTED

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE

1993

1993–94 Regular Session

TABLE OF LAWS ENACTED

1993

1993–94 Regular Session

Ch. No.	A.B. No.	S.B. No.	Author
1	—	92	Bergeson
2	32	—	Isenberg (Coauthor: Senator Presley)
3	240	—	Connolly and Peace
4	—	31	Johnston, Leonard, Lockyer, Greene, Petris, and Rosenthal
5	—	32	Mello
6	—	974	Alquist
7	5	—	Willie Brown and Barbara Friedman
8	46	—	Archie-Hudson
9	—	6	Craven
10	—	11	Committee on Local Government (Senators Bergeson (Chairman), Ayala, Calderon, Craven, Hughes, Kopp, and Russell)
11	—	52	Petris
12	—	37	Maddy and Roberti
13	207	—	Snyder
14	384	—	Alpert
15	118	—	Sher (Coauthors: Senators Alquist, McCorquodale, and Thompson)
16	—	116	Lockyer
17	—	295	Ayala
18	18	—	Archie-Hudson
19	—	361	Russell
20	83	—	Klehs and Richter
21	199	—	Hauser
22	85	—	Honeycutt (Coauthor: Senator Leonard)
23	467	—	Statham
24	254	—	Rainey
25	255	—	Rainey
26	281	—	Collins
27	286	—	Aguiar
28	—	47	Lockyer
29	—	162	Presley
30	—	164	Presley
31	—	3	Greene
32	—	209	Lewis
33	379	—	Conroy
34	1535	—	Caldera
35	—	26	Russell (Coauthors: Senators Alquist and Roberti)
36	—	72	Kelley
37	—	79	Marks (Coauthor: Senator Kopp)
38	—	235	Ayala
39	37	—	Johnson and Richter
40	613	—	Rainey
41	682	—	Moore
42	1351	—	Cannella, Areias, Bornstein, Bowler, Valerie Brown, Cortese, Costa, Goldsmith, Harvey, Haynes, Jones, Knowles, Murray, Polanco, Richter, Seastrand, Snyder, Takasugi, and Weggeland
43	1376	—	Collins (Principal coauthor: Assembly Member Frazee)
44	1934	—	Richter
45	1952	—	Weggeland
46	—	389	Rosenthal
47	—	424	Thompson
48	—	708	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Dills, Kopp, Lockyer, and Maddy)
49	330	—	Baca
50	1490	—	Horcher, Hannigan, and Vasconcellos (Coauthors: Senators Alquist, Leslie, and McCorquodale)
51	1891	—	Polanco
52	2235	—	McDonald
53	—	7	Kelley
54	—	169	Boatwright
55	—	80	Alquist
56	2351	—	Committee on Ways and Means
57	535	—	Bates (Coauthor: Senator Petris)
58	2117	—	Johnson
59	—	443	Committee on Budget and Fiscal Review
60	—	452	Committee on Budget and Fiscal Review
61	2031	—	Committee on Ways and Means
62	760	—	Statham
63	—	271	Committee on Budget and Fiscal Review
64	—	627	Committee on Budget and Fiscal Review
65	—	683	Committee on Budget and Fiscal Review
66	—	399	Hart
67	—	1012	Maddy
68	—	1135	Committee on Budget and Fiscal Review
69	—	35	Committee on Budget and Fiscal Review
70	—	86	Committee on Budget and Fiscal Review
71	—	240	Committee on Budget and Fiscal Review
72	—	1033	Committee on Budget and Fiscal Review
73	—	509	Committee on Budget and Fiscal Review
74	—	711	Committee on Budget and Fiscal Review
75	102	—	Committee on Ways and Means
76	—	543	Alquist
77	518	—	Woodruff
78	657	—	Murray (Coauthor: Assembly Member McDonald) (Coauthor: Senator Dills)
79	—	128	Beverly
80	—	542	Alquist
81	—	672	Greene
82	—	1102	Calderon
83	—	1251	Torres
84	371	—	Haynes
85	374	—	Statham
86	381	—	Hannigan
87	544	—	Jones (Coauthor: Senator Maddy)
88	549	—	Cannella
89	582	—	Goldsmith
90	612	—	Connolly
91	707	—	Epple
92	1318	—	Richter
93	1348	—	Caldera
94	1660	—	Napolitano
95	1781	—	Knowles
96	2360	—	Mountjoy
97	364	—	Tucker
98	—	653	Dills
99	258	—	Hannigan
100	—	463	Bergeson
101	—	329	Deddeh
102	285	—	Aguiar
103	288	—	Polanco
104	361	—	Baca
105	646	—	Hannigan
106	70	—	Katz and Eastin (Principal coauthor: Senator Kopp) (Coauthors: Assembly Members Aguiar, Alpert, Archie-Hudson, Areias, Bowen, Valerie Brown, Willie Brown, Cannella, Conroy, Cortese, Costa, Epple, Farr, Ferguson, Gotch, Knowles, Napolitano, O'Connell, Peace, Quackenbush, Richter, Sher, Snyder, Solis, and Umberg) (Coauthors: Senators Bergeson, Hughes, Killea, Petris, Thompson, and Torres)
107	687	—	Johnson
108	743	—	Seastrand
109	809	—	Rainey
110	1136	—	Knight
111	1167	—	Polanco
112	1271	—	Murray
113	1742	—	Margolin
114	1757	—	Caldera and Goldsmith

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
115	214	___	Willie Brown (Principal coauthor: Senator Roberti) (Principal coauthor: Assembly Member Brulte) (Coauthors: Assembly Members Aguiar, Allen, Andal, Archie-Hudson, Boland, Bornstein, Bowen, Bowler, Valerie Brown, Burton, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Farr, Ferguson, Frazee, Goldsmith, Gotch, Harvey, Hauser, Haynes, Honeycutt, Isenberg, Johnson, Karnette, Knight, Lee, Martinez, McDonald, Moore, Morrow, Murray, Napolitano, O'Connell, Polanco, Quackenbush, Rainey, Richter, Seastrand, Solis, Speier, Statham, Takasugi, Tucker, Umberg, and Weggeland) (Coauthors: Senators Ayala, Bergeson, Boatwright, Calderon, Deddeh, Dills, Hill, Hughes, Lockyer, Marks, McCorquodale, Mello, Petris, Presley, Rosenthal, Thompson, Watson, and Wyman)
116	215	___	Willie Brown (Principal coauthor: Senator Roberti) (Principal coauthor: Assembly Member Brulte) (Coauthors: Assembly Members Aguiar, Allen, Andal, Archie-Hudson, Boland, Bornstein, Bowen, Bowler, Valerie Brown, Burton, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Farr, Ferguson, Frazee, Goldsmith, Gotch, Harvey, Hoge, Honeycutt, Hauser, Haynes, Isenberg, Johnson, Karnette, Knight, Lee, Martinez, McDonald, Moore, Morrow, Murray, Napolitano, O'Connell, Polanco, Quackenbush, Rainey, Richter, Seastrand, Solis, Speier, Statham, Takasugi, Tucker, Umberg, and Weggeland) (Coauthors: Senators Ayala, Bergeson, Boatwright, Calderon, Deddeh, Dills, Hill, Hughes, Lockyer, Marks, McCorquodale, Mello, Petris, Presley, Rosenthal, Thompson, Watson, and Wyman)
117	___	983	Greene (Coauthors: Senators Johnston and Leonard) (Coauthor: Assembly Member Peace)
118	119	___	Brulte
119	___	484	Lockyer (Coauthor: Senator Johnston)
120	1300	___	Willie Brown (Principal coauthor: Assembly Member Brulte) (Principal coauthors: Senators Leonard and Lockyer)
121	110	___	Peace and Brulte
122	___	42	Johnston
123	___	546	Killea (Principal coauthors: Assembly Members Katz, Moore, and O'Connell)
124	___	345	Hill
125	___	371	Leslie
126	___	459	Boatwright (Coauthor: Senator Kopp)
127	___	468	Lockyer
128	___	479	Beverly
129	___	483	Rosenthal
130	___	742	Committee on Budget and Fiscal Review
131	___	888	Hayden
132	___	903	Torres
133	___	948	Watson
134	___	1042	Beverly
135	___	1097	Boatwright
136	___	1197	Kelley
137	59	___	Tucker
138	76	___	Conroy
139	84	___	Conroy (Principal coauthor: Senator Lewis)
140	162	___	Brulte
141	346	___	Tucker
142	368	___	Boland
143	377	___	Vasconcellos
144	435	___	Sher
145	468	___	Jones
146	1107	___	Cortese
147	1140	___	Epple
148	1331	___	Epple
149	1402	___	Morrow
150	1515	___	Hauser
151	1704	___	Horcher
152	1740	___	Horcher
153	2050	___	Frazee
154	2058	___	Margolin
155	2097	___	Takasugi
156	___	873	Kopp
157	799	___	Terry Friedman, Allen, Alpert, Connolly, Costa, Epple, Barbara Friedman, Gotch, Horcher, Murray, Nolan, Polanco, Quackenbush, Solis, Vasconcellos, and Woodruff
158	392	___	Isenberg
159	309	___	Honeycutt, Aguiar, Baca, Brulte, Quackenbush, and Woodruff
160	19	___	Quackenbush (Coauthors: Assembly Members Andal, Boland, Ferguson, Pringle, and Seastrand) (Coauthor: Senator Russell)
161	1114	___	Alpert
162	112	___	Bronshvag and Peace
163	175	___	Polanco (Coauthors: Assembly Members Eastin, Lee, and Richter)
164	287	___	Aguiar
165	294	___	Bornstein and Peace
166	388	___	Statham
167	417	___	Klehs
168	427	___	Frazee
169	529	___	Morrow
170	534	___	Archie-Hudson
171	543	___	Jones
172	563	___	Cortese
173	695	___	Rainey
174	701	___	Tucker
175	820	___	Barbara Friedman
176	877	___	McDonald
177	1051	___	Campbell
178	1221	___	Frazee
179	1247	___	Polanco
180	1284	___	McDonald
181	1288	___	Moore
182	1341	___	Umberg
183	1405	___	Morrow
184	1593	___	Cortese
185	1562	___	Tucker
186	1566	___	Goldsmith
187	1609	___	Aguiar
188	1641	___	Cortese
189	1648	___	Boland, Epple, Rainey, and Umberg (Coauthors: Assembly Members Baca, Collins, Connolly, Hauser, and Murray) (Coauthors: Senators Presley, Russell, and Thompson)
190	1828	___	Sher and Bronshvag (Coauthor: Senator Presley)
191	1962	___	Morrow
192	2314	___	Polanco
193	___	115	Beverly
194	___	186	Committee on Local Government (Senators Bergeson (Chair), Ayala, Calderon, Hughes, and Kopp)
195	___	259	Roberti
196	___	370	Leslie
197	___	565	Alquist
198	___	829	Mello
199	___	859	Hughes
200	82	___	Peace
201	181	___	Seastrand
202	297	___	Snyder
203	385	___	Hannigan
204	496	___	Cannella
205	704	___	Sher
206	732	___	Hauser
207	833	___	Cannella
208	1187	___	Aguiar
209	1188	___	Aguiar

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
210	1260	___	Woodruff
211	1425	___	Burton
212	1714	___	Umberg
213	1964	___	Morrow
214	43	___	Quackenbush
215	737	___	Escutia
216	843	___	Hannigan
217	2059	___	Margolin
218	1357	___	Karnette
219	1500	___	Speier
220	___	1117	Lockyer
221	226	___	Burton
222	___	485	Rosenthal
223	822	___	Statham
224	378	___	Bowler, Hoge, and Woodruff
225	1755	___	Caldera
226	1987	___	Horcher
227	___	1005	Lockyer
228	___	30	Johnston (Coauthor: Senator Leonard)
229	1282	___	McDonald
230	___	230	Marks
231	___	76	Committee on Appropriations (Senators Presley (Chairman), Alquist, Ayala, Bergeson, Beverly, Greene, Johnston, and Killea)
232	___	554	Beverly
233	___	278	Beverly (Coauthors: Assembly Members Alpert, Baca, Boland, Bronshvag, Epple, Martinez, Moore, Murray, Peace, Solis, and Takasugi)
234	___	1020	Mello
235	___	1205	Hurtt (Coauthors: Senators Lewis, Marks, Torres, and Wyman)
236	___	66	Bergeson
237	___	94	Roberti
238	___	113	Thompson (Coauthors: Assembly Members Bronshvag and Valerie Brown)
239	___	127	Wright
240	___	136	Wright
241	___	241	Alquist
242	___	257	Killea
243	___	347	Dills
244	___	421	Craven
245	___	432	Greene
246	___	434	Morgan
247	___	446	Mello
248	___	465	Marks
249	___	495	Kelley
250	___	578	Greene
251	___	585	Rogers
252	___	587	Hughes (Coauthors: Assembly Members Archie-Hudson, Conroy, and Martinez)
253	___	606	Rosenthal
254	___	613	Hayden
255	___	685	Wright
256	___	699	Roberti
257	___	705	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Dills, Kopp, Lockyer, and Maddy)
258	___	706	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Dills, Kopp, Lockyer, and Maddy)
259	___	716	Bergeson
260	___	785	Wright (Coauthor: Senator Alquist)
261	___	818	Thompson, Dills, and Hughes (Coauthors: Assembly Members Andal, Conroy, Eastin, Moore, and Solis)
262	___	839	Ayala
263	___	868	Hart
264	___	898	Mello
265	___	960	Craven
266	___	970	Rosenthal
267	___	1039	Thompson
268	___	1052	Watson
269	___	1193	Boatwright
270	8	___	Connolly, Alpert, and Polanco
271	138	___	Eastin
272	301	___	Katz
273	306	___	Aguiar
274	425	___	Harvey
275	466	___	Baca
276	498	___	Goldsmith (Principal coauthor: Assembly Member Peace)
277	641	___	Bornstein
278	723	___	Sher
279	782	___	Costa
280	826	___	Bates
281	954	___	Ferguson
282	1195	___	Moore
283	1200	___	Nolan
284	1237	___	Cannella
285	1340	___	Peace
286	1452	___	Cannella
287	1534	___	Conroy
288	1736	___	Costa
289	1827	___	Sher
290	1976	___	Jones
291	2069	___	Allen
292	___	301	Killea and Kopp (Principal coauthor: Assembly Member Alpert)
293	21	___	Umberg and Morrow (Principal coauthor: Senator Bergeson) (Coauthors: Assembly Members Andal, Archie-Hudson, Bowen, Valerie Brown, Connelly, Conroy, Costa, Escutia, Ferguson, Klehs, Martinez, and Solis) (Coauthors: Senators Dills, Killea, Presley, Russell, and Watson)
294	___	359	Watson
295	___	774	Leslie
296	___	1050	Russell, Leslie, and McCorquodale (Coauthors: Assembly Members Connelly, Eastin, Frazee, Goldsmith, Horcher, Solis, Statham, and Woodruff)
297	___	1184	Roberti
298	31	___	Connolly, Cannella, Collins, Escutia, Harvey, O'Connell, Peace, and Snyder
299	178	___	Snyder
300	___	242	Presley
301	197	___	Burton
302	___	821	Committee on Judiciary (Senators Lockyer (Chairman), Calderon, Leslie, Marks, Petris, Presley, Roberti, Torres, and Watson)
303	55	___	Hauser
304	179	___	Snyder
305	246	___	Snyder (Coauthor: Senator McCorquodale)
306	347	___	Hauser
307	669	___	Hannigan
308	731	___	Cortese
309	944	___	Richter
310	1054	___	Conroy
311	1314	___	Connolly
312	1871	___	Polanco
313	1712	___	Lee, Areias, Bates, Campbell, Farr, Hauser, and Isenberg (Coauthors: Senators Johnston, McCorquodale, Petris, and Watson)
314	2304	___	Johnson, Epple, O'Connell, and Polanco (Coauthor: Senator Thompson)
315	41	___	Peace, Alpert, Areias, Connolly, Barbara Friedman, Gotch, Snyder, Speier, and Umberg (Principal coauthors: Assembly Members Boland and Lee)
316	___	363	Mello
317	718	___	Mountjoy
318	763	___	Nolan, Andal, Brulte, Conroy, Ferguson, Harvey, Haynes, Hoge, Honeycutt, Johnson, Mountjoy, Pringle, Quackenbush, Rainey, Richter, Speier, and Woodruff (Coauthors: Senators Hurtt, Kopp, and Presley)
319	1126	___	Johnson
320	1152	___	Costa
321	2068	___	Conroy
322	___	884	Leslie
323	___	175	Kelley

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
324	101	___	Klehs
325	211	___	Umberg (Coauthor: Senator Leonard)
326	298	___	Snyder
327	465	___	Peace
328	___	224	Hughes
329	___	293	Craven, Ayala, Dills, and Kopp (Coauthors: Assembly Members Aguiar, Bowler, Conroy, Epple, Farr, Gotch, O'Connell, Richter, Umberg, and Woodruff)
330	___	889	Rosenthal
331	___	914	Leonard
332	___	248	Presley
333	871	___	McDonald
334	1117	___	Bornstein
335	615	___	Gotch (Principal coauthor: Assembly Member Bates) (Coauthors: Assembly Members Andal, Bornsetin, Caldera, Farr, Terry Friedman, Karnette, Margolin, Martines, Napolitano, Solis, and Speier) (Coauthors: Senators Hughes and Watson)
336	1858	___	Speier
337	426	___	Cortese and Campbell
338	237	___	Rainey (Coauthors: Assembly Members Andal, Boland, Conroy, Harvey, Haynes, Honeycutt, Horcher, Richter, and Woodruff)
339	626	___	Polanco
340	___	601	Marks
341	___	12	Committee on Local Government (Senators Bergeson (Chairman), Ayala, Calderon, Craven, Hughes, Kopp, and Russell)
342	___	13	Committee on Local Government (Senators Bergeson (Chairman), Ayala, Calderon, Craven, Hughes, Kopp, and Russell)
343	___	173	Deddeh
344	___	178	Hughes
345	303	___	Epple and Conroy
346	331	___	Baca
347	366	___	Cortese
348	532	___	Morrow
349	572	___	Johnson
350	654	___	Speier
351	660	___	Moore
352	668	___	Speier
353	1047	___	Epple
354	1088	___	Knowles
355	1189	___	Aguiar
356	1238	___	Quackenbush
357	1266	___	Martinez and Peace
358	1276	___	Seastrand
359	1323	___	Speier
360	1569	___	Harvey
361	1852	___	Murray
362	1938	___	Statham
363	2248	___	Collins (Coauthor: Senator Kopp)
364	2277	___	Harvey, Honeycutt, and Knowles
365	2321	___	Haynes
366	2324	___	Caldera
367	513	___	Knight
368	1307	___	Murray
369	1344	___	Epple
370	1433	___	Margolin
371	1457	___	Bowen
372	1832	___	Conroy
373	1846	___	Peace
374	1945	___	Campbell
375	___	104	Deddeh
376	___	233	Kopp
377	___	244	Russell
378	___	322	Morgan
379	___	341	Craven
380	___	392	Russell
381	___	810	Ayala
382	___	848	Dills, Calderon, and Leslie (Coauthor: Assembly Member Takasugi)
383	___	965	Bergeson
384	___	1083	Calderon
385	___	1179	Watson
386	___	73	Hayden
387	___	143	Morgan and Dills (Coauthors: Assembly Members Andal, Brulte, Caldera, Connolly, Cortese, Ferguson, Johnson, Klehs, and Pringle)
388	___	356	Greene
389	164	___	Rainey, Aguiar, Connolly, Costa, Horcher, Quackenbush, and Richter (Coauthor: Senator Presley)
390	290	___	Boland (Principal coauthor: Senator Bergeson) (Coauthors: Assembly Members Alpert, Andal, Archie-Hudson, Cannella, Connolly, Conroy, Eastin, Goldsmith, Haynes, Honeycutt, Horcher, Peace, Richter, Seastrand, Solis, Speier, Statham, and Umberg) (Coauthors: Senators Hughes, Killea, Presley, and Russell)
391	328	___	Johnson
392	917	___	Nolan
393	1053	___	Tucker
394	1216	___	Harvey, Connolly, Andal, Costa, and Richter (Coauthor: Senator Deddeh)
395	1598	___	Knowles
396	1659	___	Napolitano
397	2099	___	Epple (Coauthor: Assembly Member Connolly)
398	___	605	Maddy
399	___	996	Calderon and Johnston
400	1666	___	Hoge and Mountjoy
401	2138	___	Hoge
402	1668	___	Hoge
403	___	200	Mello
404	___	904	Committee on Budget and Fiscal Review
405	1466	___	Statham
406	___	129	Kelley
407	___	428	Thompson (Coauthor: Senator Presley) (Coauthors: Assembly Members Aguiar, Ferguson, and Richter)
408	575	___	Johnson
409	2308	___	Woodruff
410	___	27	Wright
411	___	28	Wright
412	2060	___	Weggeland (Coauthor: Senator Wright)
413	765	___	Goldsmith (Coauthor: Senator Craven)
414	1895	___	Polanco
415	2315	___	Valerie Brown
416	___	1002	Craven
417	1623	___	Bowen
418	___	1082	Calderon
419	___	1185	Bergeson (Coauthors: Assembly Members Allen, Umberg, and Vasconcellos)
420	___	5	Presley
421	2066	___	Barbara Friedman
422	___	449	Alquist
423	750	___	Cannella (Coauthor: Senator McCorquodale)
424	316	___	Alpert (Coauthor: Senator Killea)
425	265	___	O'Connell (Coauthors: Assembly Members Alpert, Bustamante, Connolly, Costa, Jones, and Snyder) (Coauthors: Senators Hart, Leslie, and Wright)
426	___	655	Bergeson
427	68	___	Alpert
428	141	___	Murray
429	896	___	Willie Brown
430	___	772	Petris and Presley (Principal coauthors: Senators Ayala, Kelley, and Leonard) (Principal coauthors: Assembly Members Baca, Bates, Brulte, Haynes, Lee, Weggeland, and Woodruff)
431	2040	___	Weggeland
432	1061	___	Costa (Coauthor: Senator Kelley)
433	___	1209	Bergeson (Principal coauthors: Assembly Members Katz and Polanco) (Coauthor: Assembly Member Pringle)
434	781	___	Frazee

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
435	980	___	Allen
436	1034	___	Campbell, Rainey, and Sher
437	1678	___	Bowen
438	___	272	Ayala
439	40	___	Margolin
440	216	___	Margolin, Terry Friedman, Barbara Friedman, and Farr
441	___	268	Roberti (Principal coauthor: Senator McCorquodale)
442	648	___	Epple
443	938	___	Polanco (Coauthors: Assembly Members Karnette and Lee) (Coauthors: Senators Watson and Wyman)
444	2222	___	Lee, Alpert, Boland, Conroy, Farr, Terry Friedman, Hauser, Horcher, McDonald, Moore, Murray, Solis, and Speier (Principal coauthors: Assembly Members Areias, Baca, Bronshvag, Valerie Brown, Connolly, Epple, Gotch, Hannigan, Karnette, Murray, O'Connell, and Rainey) (Coauthor: Senator Mello)
445	___	458	Hart, Hughes, Presley, Rosenthal, and Thompson (Principal coauthor: Senator McCorquodale) (Principal coauthor: Assembly Member O'Connell) (Coauthors: Assembly Members Baca, Valerie Brown, Cannella, Conroy, Terry Friedman, Hannigan, and Moore)
446	1246	___	Quackenbush (Principal coauthor: Senator McCorquodale)
447	510	___	Collins and Jones
448	870	___	Umberg
449	1747	___	Solis, Archie-Hudson, Areias, Bornstein, Campbell, Farr, and Moore (Coauthors: Senators Dills and Watson)
450	___	255	Boatwright
451	___	270	Russell (Coauthor: Senator Leslie) (Coauthors: Assembly Members Conroy, Harvey, Haynes, Moore, and Richter)
452	___	385	Greene (Principal coauthor: Senator Johnston)
453	___	809	Ayala and Presley
454	___	992	Kelley
455	33	___	Murray
456	58	___	Peace
457	201	___	Conroy
458	247	___	Hauser
459	400	___	O'Connell
460	406	___	Escutia
461	445	___	Costa
462	438	___	Burton (Coauthor: Senator Kopp)
463	453	___	Solis (Principal coauthor: Assembly Member Areias) (Principal coauthor: Senator Bergeson) (Coauthors: Assembly Members Aguiar, Alpert, Archie-Hudson, Baca, Brulte, Campbell, Collins, Connolly, Eastin, Escutia, Barbara Friedman, Goldsmith, Gotch, Horcher, Karnette, McDonald, Moore, Murray, Napolitano, and O'Connell) (Coauthors: Senators Ayala, Craven, Dills, Hughes, Lockyer, McCorquodale, Morgan, Petris, Presley, Rosenthal, Torres, and Watson)
464	502	___	Moore
465	523	___	Allen
466	541	___	Cannella
467	573	___	Johnson
468	631	___	Cannella and Connolly
469	729	___	Speier
470	738	___	Escutia
471	756	___	Honeycutt
472	796	___	Sher
473	815	___	Jones
474	855	___	Tucker
475	960	___	Bates
476	1002	___	Brulte
477	1059	___	Murray (Principal coauthor: Assembly Member McDonald)
478	1089	___	Knowles
479	1113	___	O'Connell
480	1143	___	Campbell
481	1169	___	Burton (Principal coauthor: Senator Kopp)
482	1231	___	Umberg
483	1252	___	Mountjoy
484	1255	___	Costa (Principal coauthor: Assembly Member Bustamante)
485	1332	___	Gotch, Connolly, Peace, Alpert, and Goldsmith
486	1359	___	Karnette
487	1375	___	Collins (Principal coauthor: Assembly Member Moore) (Coauthor: Senator Johnston)
488	1398	___	Morrow, Andal, Hoge, Polanco, and Richter
489	1399	___	Lee
490	1407	___	Morrow
491	1423	___	Conroy
492	1427	___	Peace
493	1428	___	Bornstein
494	1430	___	Conroy
495	1459	___	Moore
496	1817	___	McDonald
497	___	576	Greene
498	2081	___	Takasugi
499	___	111	Presley
500	___	121	Russell
501	___	160	Kopp
502	___	177	Boatwright (Principal coauthor: Assembly Member Morrow)
503	___	194	Hughes
504	___	286	Presley (Coauthor: Assembly Member Peace)
505	___	327	Kelley
506	___	343	Morgan
507	___	416	Beverly
508	___	545	Killea (Coauthors: Senators Hayden, Torres, and Watson) (Coauthors: Assembly Members Alpert, Archie-Hudson, Areias, Bornstein, Bowen, Costa, Gotch, Karnette, McDonald, Martinez, Moore, and Napolitano)
509	___	564	Alquist
510	___	665	Russell (Coauthors: Assembly Members Andal, Conroy, and Richter)
511	___	744	McCorquodale
512	___	777	Lewis
513	___	793	Wright
514	___	795	Hart
515	___	865	Kopp
516	___	1065	Mello
517	___	1095	Killea
518	208	___	Horcher
519	209	___	Horcher
520	217	___	O'Connell
521	310	___	Woodruff
522	421	___	Archie-Hudson
523	697	___	Bowen
524	734	___	Johnson
525	807	___	Andal, Conroy, Terry Friedman, Harvey, Hoge, Honeycutt, Knowles, Richter, and Woodruff
526	878	___	Collins (Principal coauthor: Assembly Member Valerie Brown)
527	908	___	Horcher (Coauthor: Senator Dills)
528	1032	___	Aguiar and Umberg
529	1137	___	Knight
530	1249	___	Horcher
531	1283	___	McDonald (Coauthors: Assembly Members O'Connell and Takasugi)
532	1311	___	Areias
533	1502	___	Hauser
534	1505	___	Bowler
535	1531	___	Sher
536	1554	___	Epple
537	1653	___	Speier
538	1662	___	Moore
539	1789	___	Harvey
540	1849	___	Connolly
541	1902	___	Knowles

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
542	2042	___	Weggeland (Principal coauthor: Assembly Member Connelly)
543	2063	___	Weggeland
544	2092	___	Takasugi
545	2245	___	Pringle and Collins
546	2284	___	Pringle
547	2369	___	Statham
548	___	800	Presley
549	___	1175	Hurtt
550	98	___	Harvey, Allen, Andal, Boland, Costa, Horcher, and Umberg (Coauthors: Senators Lewis and Rogers)
551	104	___	Quackenbush (Coauthors: Assembly Members Peace and Umberg)
552	105	___	Murray
553	106	___	Martinez (Coauthors: Assembly Members Andal, Connolly, Peace, and Richter)
554	146	___	Richter (Coauthors: Assembly Members Andal, Boland, Conroy, Ferguson, Honeycutt, Seastrand, Statham, and Woodruff) (Coauthors: Senators Kopp and Russell)
555	191	___	Umberg (Coauthors: Assembly Members Alpert, Andal, Connolly, Conroy, Costa, Epple, Horcher, Katz, Nolan, O'Connell, Quackenbush, Richter, Snyder, Solis, and Speier) (Coauthor: Senator McCorquodale)
556	312	___	Gotch (Coauthors: Assembly Members Allen, Alpert, Andal, Archie-Hudson, Bornstein, Collins, Connolly, Conroy, Cortese, Costa, Epple, Farr, Ferguson, Horcher, Nolan, Napolitano, O'Connell, Peace, Snyder, Solis, Speier, Umberg, and Woodruff) (Coauthors: Senators McCorquodale, Morgan, and Russell)
557	514	___	Gotch, Costa, Boland, Cannella, Connolly, Epple, Ferguson, Terry Friedman, Harvey, Horcher, Nolan, O'Connell, Rainey, Snyder, Solis, and Woodruff (Coauthors: Senators Deddeh, Hughes, Thompson, and Watson)
558	526	___	Valerie Brown, Connolly, and Peace
559	538	___	Richter, Andal, Harvey, Haynes, Knowles, and Seastrand
560	935	___	Rainey, Andal, Bowler, Collins, Conroy, Martinez, Quackenbush, and Richter (Coauthor: Senator Presley)
561	1539	___	Honeycutt
562	1760	___	Cannella
563	___	883	Leslie
564	___	43	McCorquodale
565	___	214	McCorquodale (Principal coauthor: Assembly Member Areias) (Coauthors: Assembly Members Bornstein, Cannella, and Snyder)
566	___	467	Hill
567	47	___	Areias, Bustamante, Cannella, Costa, Harvey, Honeycutt, Jones, and Snyder, and Senators Dills, McCorquodale, Rogers, Torres, and Wyman
568	957	___	Cannella
569	1186	___	Aguiar (Coauthors: Assembly Members Eastin, Martinez, O'Connell, and Woodruff)
570	1837	___	Statham
571	___	503	Torres, Ayala, Calderon, Hayden, Hughes, and Watson (Principal coauthor: Assembly Member Polanco) (Coauthors: Assembly Members Archie-Hudson, Caldera, Escutia, Terry Friedman, Martinez, McDonald, Moore, Napolitano, Solis, and Tucker)
572	1041	___	Archie-Hudson
573	___	456	Presley
574	___	44	Morgan (Coauthors: Assembly Members Eastin and Sher)
575	___	118	Maddy
576	___	208	Lewis
577	864	___	Quackenbush
578	584	___	Cortese
579	1062	___	Costa
580	___	193	Marks
581	1178	___	Epple and Conroy (Coauthor: Assembly Member Umberg)
582	1548	___	Alpert (Coauthors: Assembly Members Eastin, Epple, Escutia, Barbara Friedman, Terry Friedman, Goldsmith, Karnette, Lee, Martinez, Statham, and Umberg) (Coauthors: Senators Dills and Hughes)
583	284	___	Speier
584	92	___	Richter, Conroy, Harvey, Morrow, and Woodruff (Coauthor: Senator Mello)
585	10	___	Costa and Harvey (Principal coauthors: Senators Presley and Wyman)
586	313	___	Ferguson, Aguiar, Andal, Boland, Bowler, Cannella, Collins, Conroy, Goldsmith, Hoge, Honeycutt, Jones, Martinez, Nolan, Rainey, Statham, and Woodruff (Coauthor: Senator Russell)
587	2009	___	Snyder (Principal coauthor: Assembly Member Boland) (Coauthors: Assembly Members Cannella, Connolly, Peace, and Umberg)
588	327	___	Murray and Peace
589	2211	___	Committee on Judiciary as presented by Assembly Member Goldsmith on behalf of the committee (Archie-Hudson, Caldera, Collins, Connolly, Epple, Terry Friedman, Horcher, Isenberg, Snyder, Speier, Statham, and Weggeland)
590	___	41	Presley (Principal coauthor: Assembly Member Katz) (Coauthor: Senator Lockyer)
591	25	___	Burton (Coauthors: Assembly Members Peace and Umberg)
592	1330	___	Epple
593	2046	___	Margolin
594	1821	___	Costa
595	187	___	Solis (Principal coauthor: Assembly Member Sher) (Principal coauthor: Senator McCorquodale) (Coauthors: Assembly Members Allen, Alpert, Andal, Archie-Hudson, Bornstein, Bowen, Burton, Caldera, Connolly, Conroy, Eastin, Escutia, Barbara Friedman, Terry Friedman, Horcher, Lee, Martinez, Moore, Speier, and Umberg) (Coauthors: Senators Bergeson, Hayden, Hughes, Killea, Morgan, Presley, Torres, and Watson)
596	___	22	Russell (Principal coauthor: Assembly Member Boland)
597	___	374	Hill (Principal coauthor: Senator Lewis)
598	___	292	Roberti (Principal coauthor: Assembly Member Bornstein)
599	___	647	Leslie
600	242	___	Alpert (Coauthors: Assembly Members Allen, Bornstein, Bowen, Valerie Brown, Eastin, Barbara Friedman, Honeycutt, Karnette, Lee, Martinez, Napolitano, Seastrand, Snyder, and Solis) (Coauthors: Senators Hughes, Killea, and Watson)
601	___	724	McCorquodale (Principal coauthor: Senator Thompson)
602	1608	___	Aguiar
603	663	___	Baca
604	839	___	Baca
605	1179	___	Epple, Burton, Boland, Horcher, Aguiar, Baca, Caldera, Connolly, Haynes, Lee, McDonald, Nolan, Rainey, Solis, and Umberg (Principal coauthors: Senators Dills and Watson) (Coauthors: Assembly Members Alpert, Bornstein, Conroy, Barbara Friedman, Gotch, Hauser, Karnette, Martinez, Mountjoy, and Peace)

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
606	166	___	Hauser, Areias, and Peace
607	___	529	Presley
608	1549	___	Epple (Principal coauthor: Assembly Member Burton) (Coauthors: Assembly Members Connolly, Peace, and Umberg)
609	___	310	Ayala and Leonard (Principal coauthors: Assembly Members Bowen, Bowler, and Haynes) (Coauthors: Senators Bergeson, Beverly, Boatwright, Calderon, Craven, Deddeh, Dills, Greene, Hill, Hurtt, Kelley, Kopp, Leslie, Lewis, Maddy, McCorquodale, Mello, Presley, Roberti, Rogers, Russell, Thompson, and Torres) (Coauthors: Assembly Members Andal, Baca, Cannella, Conroy, Ferguson, Harvey, Hoge, O'Connell, Rainey, Richter, Snyder, Statham, and Woodruff)
610	6	___	Burton (Principal coauthors: Assembly Members Conroy and Gotch) (Coauthors: Assembly Members Peace and Umberg)
611	___	60	Presley (Principal coauthor: Senator Kopp) (Principal coauthors: Assembly Members Burton and Rainey) (Coauthors: Senators Ayala, Dills, Hayden, Hughes, Killea, Lewis, Lockyer, McCorquodale, Rosenthal, Russell, Thompson, and Watson) (Coauthors: Assembly Members Aguiar, Alpert, Andal, Areias, Boland, Bowler, Brulte, Cannella, Costa, Eastin, Ferguson, Harvey, Horcher, Johnson, Jones, Knowles, Martinez, Napolitano, Richter, Snyder, Solis, Speier, Umberg, and Weggeland)
612	685	___	Murray
613	1540	___	Caldera
614	481	___	Connolly
615	519	___	O'Connell
616	2119	___	Johnson
617	14	___	Hauser
618	123	___	Andal, Bowler, Conroy, Harvey, Richter, and Woodruff (Coauthors: Senators Rogers, Thompson, and Johnston)
619	276	___	Richter (Coauthors: Assembly Members Conroy, Ferguson, Hoge, Jones, McDonald, and Takasugi)
620	552	___	Snyder
621	592	___	Areias
622	609	___	Cannella
623	637	___	Bates
624	772	___	Areias
625	733	___	Conroy
626	812	___	Conroy
627	848	___	Hannigan
628	851	___	Speier
629	1170	___	Epple
630	1451	___	Umberg (Coauthor: Assembly Member O'Connell)
631	1897	___	Bornstein
632	1915	___	Boland
633	2008	___	Alpert
634	2025	___	Bowen
635	2202	___	Conroy
636	2345	___	Ferguson
637	___	324	Watson
638	___	346	Boatwright
639	___	400	Hughes
640	___	369	Kopp
641	___	500	Hill
642	___	616	Russell (Principal coauthor: Senator Roberti)
643	___	633	Deddeh
644	___	761	Hayden (Coauthor: Assembly Member Katz)
645	___	764	Kopp
646	___	871	Johnston
647	___	952	Dills
648	___	994	Kelley
649	___	1041	Craven (Principal coauthor: Assembly Member Bowen)
650	___	1056	McCorquodale
651	___	1138	Kelley
652	___	1142	Rosenthal
653	1731	___	Brulte (Coauthor: Senator Kopp)
654	___	256	Maddy and Presley
655	2136	___	Eastin
656	1220	___	Eastin
657	___	112	Roberti
658	601	___	Speier
659	525	___	Speier
660	478	___	Barbara Friedman (Principal coauthor: Assembly Member Statham) (Coauthors: Assembly Members Alpert, Bornstein, Caldera, Eastin, Terry Friedman, Hannigan, Katz, Klehs, Margolin, Martinez, and Speier) (Coauthors: Senators Hughes, McCorquodale, Morgan, Rosenthal, and Watson)
661	2055	___	Barbara Friedman (Coauthor: Senator Dills)
662	2352	___	Baca
663	54	___	Sher
664	248	___	Tucker
665	457	___	Areias
666	503	___	Rainey
667	521	___	Allen
668	536	___	Bates
669	556	___	Lee (Coauthor: Assembly Member Woodruff)
670	1213	___	Rainey (Coauthor: Assembly Member Campbell)
671	597	___	Mountjoy
672	604	___	Hauser
673	636	___	Bates
674	708	___	Epple
675	712	___	Sher
676	803	___	Gotch
677	823	___	Bates
678	907	___	Goldsmith (Coauthor: Assembly Member Connelly)
679	912	___	Polanco
680	1020	___	Peace
681	1133	___	Frazee
682	1134	___	Honeycutt
683	1176	___	Epple
684	1192	___	Cannella
685	1201	___	Cortese
686	1219	___	Boland
687	1225	___	Knowles
688	1242	___	Valerie Brown
689	1572	___	Rainey
690	1643	___	Speier
691	1705	___	Woodruff
692	1854	___	Cannella
693	1887	___	Statham
694	2057	___	Margolin
695	2172	___	Hauser
696	2243	___	Pringle and Collins
697	2282	___	Conroy
698	___	21	Russell
699	___	77	Committee on Appropriations (Senators Presley (Chairman), Alquist, Ayala, Bergeson, Beverly, Greene, Johnston, and Killea)
700	___	353	Ayala
701	___	358	Torres
702	___	420	Mello
703	___	862	Hughes (Coauthors: Senators Boatwright and Torres)
704	___	953	Wright
705	___	990	Kelley
706	___	1121	Thompson
707	___	1133	Hart
708	___	755	Kelley
709	___	675	Greene
710	130	___	Tucker

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
711	675	___	Moore
712	1734	___	Areias (Coauthors: Assembly Member Snyder) (Coauthors: Senators McCorquodale and Mello)
713	2037	___	Peace
714	2379	___	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)
715	___	1011	Watson (Principal coauthor: Assembly Member Epple)
716	282	___	Hauser
717	363	___	Tucker
718	674	___	O'Connell and Seastrand
719	835	___	Lee
720	892	___	Frazee
721	1019	___	Umberg (Coauthor: Senator Bergeson)
722	1035	___	Archie-Hudson (Principal coauthor: Assembly Member McDonald) (Coauthor: Senator Rosenthal)
723	1160	___	Caldera (Coauthor: Senator Killea)
724	1196	___	Johnson
725	1228	___	Bates
726	1486	___	Speier
727	1522	___	Areias, Connolly, Conroy, Eastin, Umberg, and Woodruff
728	1728	___	Polanco
729	1743	___	Margolin
730	1788	___	Hauser and Karnette
731	1847	___	Woodruff
732	1906	___	Conroy, Moore, Rainey, Richter, Alpert, Bowler, Murray, and Takasugi
733	1909	___	O'Connell (Principal coauthor: Assembly Member Sher)
734	1951	___	Statham (Principal Senate coauthor: Senator Thompson)
735	2079	___	Margolin
736	2091	___	Takasugi
737	2104	___	Harvey
738	2121	___	Alpert
739	2148	___	Conroy (Principal coauthor: Assembly Member Harvey) (Principal coauthor: Senator Maddy) (Coauthors: Assembly Members Cortese, Costa, and Jones) (Coauthor: Senator Wyman)
740	2154	___	Jones
741	2160	___	Harvey
742	2197	___	Baca
743	2264	___	Andal (Coauthors: Assembly Members Brulte, Conroy, Ferguson, Haynes, Rainey, Seastrand, and Woodruff)
744	2309	___	Woodruff
745	___	788	Watson
746	934	___	Rainey, Andal, Richter, Speier, Statham, and Woodruff (Coauthor: Senator Leslie)
747	1738	___	Horcher (Coauthor: Senator Johnston)
748	___	4	Johnston
749	___	90	McCorquodale, Dills, Hughes, Johnston, Marks, Torres, and Watson (Coauthors: Assembly Members Alpert, Bates, Valerie Brown, Connolly, Cortese, Far, Hauser, and Horcher)
750	___	120	Kopp (Principal coauthors: Assembly Members Willie Brown and Burton)
751	___	222	Boatwright (Coauthor: Assembly Member McDonald)
752	___	261	Beverly
753	___	303	Beverly
754	___	313	Lewis
755	___	444	Rosenthal
756	___	471	Committee on Energy and Public Utilities (Senators Rosenthal (Chairman), Alquist, Greene, Hayden, Russell, and Torres)
757	___	619	Beverly
758	___	792	Bergeson
759	___	876	Hart
760	___	902	Rogers
761	___	933	Kopp
762	___	955	Presley
763	___	1051	McCorquodale (Coauthors: Senators Kopp and Marks) (Coauthors: Assembly Members Harvey and O'Connell)
764	___	1059	Mello
765	___	1178	Kopp
766	___	1220	Hill
767	1264	___	Martinez, Eastin, Alpert, and O'Connell
768	___	252	Kopp
769	___	253	Kopp
770	___	318	Rosenthal
771	___	326	Dills
772	___	332	Mello
773	___	336	Boatwright
774	___	382	Killea
775	___	497	Kelley
776	___	506	Hayden (Coauthors: Assembly Members Bates, Bowen, and Woodruff)
777	___	515	Lewis
778	___	526	Presley
779	___	593	Alquist
780	___	644	Presley
781	___	693	Mello
782	___	939	Dills
783	___	961	Morgan
784	___	1094	Killea (Coauthor: Assembly Member Cortese)
785	___	1206	Hurtt
786	48	___	Hauser (Principal coauthor: Assembly Member Frazee) (Coauthors: Assembly Members Alpert and Seastrand) (Coauthors: Senators Marks, McCorquodale, and Thompson)
787	148	___	Rainey (Principal coauthor: Assembly Member Connolly) (Coauthors: Assembly Members Andal, Boland, Conroy, Ferguson, Martinez, and Woodruff) (Coauthor: Senator Dills)
788	218	___	Farr, Bowen, Hauser, Lee, O'Connell, and Solis (Coauthors: Senators Thompson and Watson)
789	229	___	Allen
790	322	___	Bronshvag, Valerie Brown, Epple, and Gotch
791	332	___	Hauser
792	462	___	Alpert
793	504	___	Quackenbush
794	516	___	Statham
795	535	___	O'Connell (Coauthors: Assembly Members Alpert, Willie Brown, Costa, Eastin, Epple, Terry Friedman, Gotch, Jones, Katz, Moore, Sher, Snyder, Solis, Speier, Statham, and Umberg) (Coauthors: Senators Hughes, Thompson, and Watson)
796	617	___	Richter
797	628	___	Frazee
798	909	___	Terry Friedman
799	1198	___	Bates (Coauthors: Assembly Members Archie-Hudson, Valerie Brown, and Snyder)
800	1234	___	Lee
801	1316	___	Richter
802	1409	___	Morrow
803	1421	___	Umberg (Coauthors: Assembly Members Eastin, Ferguson, Martinez, and Moore) (Coauthors: Senators Presley and Rosenthal)
804	1432	___	Mountjoy
805	1599	___	O'Connell
806	1613	___	Murray
807	1692	___	Margolin
808	2354	___	Hauser
809	___	654	Bergeson
810	1717	___	Johnson and Peace
811	___	219	Hill
812	___	850	McCorquodale

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
813	___	1151	Committee on Toxics and Public Safety Management (Senators Calderon (Chairperson), Hayden, Lockyer, and Torres)
814	___	486	Rosenthal (Principal coauthor: Assembly Member Speier)
815	___	1238	Kelley
816	1769	___	Margolin
817	1787	___	Bowen
818	___	691	Kopp, Ayala, Boatwright, Hurtt, and Presley (Coauthors: Assembly Members Conroy, Goldsmith, Harvey, Nolan, Rainey, Richter, and Woodruff)
819	___	733	Russell, Kopp and Leslie (Coauthors: Senators Hurtt and Wyman) (Coauthors: Assembly Members Allen, Andal, Brulte, Conroy, Ferguson, Goldsmith, Harvey, Haynes, Hoge, Knowles, Nolan, Rainey, Richter, Statham, and Woodruff)
820	___	976	Alquist (Coauthors: Assembly Members Allen, Caldera, Epple, Goldsmith, Horcher, Johnson, Jones, Mountjoy, Nolan, Quackenbush, Weggeland, and Woodruff)
821	___	1131	Leslie (Coauthor: Assembly Member Goldsmith)
822	1716	___	Peace
823	1664	___	Napolitano
824	2399	___	Burton
825	___	1226	Dills
826	1737	___	Barbara Friedman
827	1460	___	Moore
828	2196	___	Costa
829	___	88	McCorquodale
830	___	137	Wright
831	___	221	Marks
832	___	306	Lockyer (Principal coauthor: Assembly Member Horcher) (Coauthors: Assembly Members Bornstein and Napolitano)
833	___	311	Morgan
834	___	372	Leslie
835	___	409	Ayala
836	___	487	Mello
837	___	537	McCorquodale
838	___	717	Mello
839	___	748	Deddeh
840	___	842	Presley
841	___	872	Kopp
842	___	1124	Thompson
843	264	___	Costa
844	402	___	Campbell
845	484	___	Boland
846	540	___	Hauser
847	684	___	Cannella and Snyder (Coauthor: Senator McCorquodale)
848	774	___	Areias (Coauthor: Senator Wyman)
849	813	___	Conroy and Bowler (Coauthors: Senators Ayala, Hughes, Killea, Kopp, Presley, and Wyman)
850	1165	___	Polanco
851	1257	___	Barbara Friedman
852	1485	___	Speier and O'Connell
853	1498	___	Campbell
854	1585	___	Richter
855	1699	___	Martinez
856	1820	___	Gotch
857	2062	___	Farr
858	2177	___	Boland
859	1273	___	Eastin and Umberg (Coauthor: Senator Dills)
860	___	698	Torres
861	447	___	Seastrand
862	___	373	Lockyer
863	___	536	Petris
864	761	___	Vasconcellos (Principal coauthors: Assembly Members Goldsmith and Weggeland) (Coauthors: Assembly Members Alpert, Areias, Bornstein, Bowen, Bronshvag, Caldera, Costa, Eastin, Escutia, Farr, Isenberg, Lee, Martinez, Moore, Polanco, Sher, Speier, and Umberg) (Coauthors: Senators Petris, Presley, Thompson, Watson, and Hill)
865	1239	___	Caldera and Barbara Friedman (Principal coauthor: Senator Torres) (Coauthor: Senator Hughes)
866	1259	___	Katz, Alpert, Baca, Eastin, Farr, Ferguson, Lee, Moore, O'Connell, and Umberg
867	1611	___	Polanco
868	1823	___	Alpert
869	1977	___	Jones
870	___	726	Hill, Dills, Leslie, and Lewis (Coauthors: Assembly Members Boland, Ferguson, Goldsmith, Haynes, Nolan, Richter, Weggeland, and Woodruff)
871	___	852	Maddy
872	2252	___	Areias (Principal coauthor: Assembly Member Jones) (Coauthors: Assembly Members Aguiar, Brulte, and Snyder) (Coauthors: Senators Kelley and Torres)
873	35	___	Klehs
874	___	723	Kopp, Alquist, and Petris (Coauthors: Assembly Members Connolly and Eastin)
875	___	146	Lewis
876	___	1068	Wright
877	___	673	Greene
878	65	___	Klehs and Speier
879	57	___	Willie Brown (Coauthor: Senator Dills)
880	34	___	Klehs and Alpert
881	___	671	Alquist (Coauthors: Senators Dills, Greene, and Maddy)
882	2286	___	Pringle
883	1715	___	Areias (Coauthors: Assembly Members Cortese and Eastin) (Coauthor: Senator Mello)
884	___	610	Kelley (Coauthor: Assembly Member Bornstein)
885	___	516	McCorquodale (Coauthor: Assembly Member Snyder)
886	160	___	Farr, Aguiar, Areias, Baca, Valerie Brown, Brulte, Cannella, Conroy, Eastin, Honeycutt, Martinez, O'Connell, and Solis (Coauthors: Senators McCorquodale and Watson)
887	103	___	Quackenbush, Caldera, and Connolly (Principal coauthor: Senator Alquist)
888	134	___	Farr
889	1012	___	Bornstein
890	1574	___	Burton
891	1881	___	Peace
892	___	426	Presley
893	1796	___	Napolitano
894	202	___	Collins
895	153	___	Tucker, Epple, and O'Connell (Coauthor: Assembly Member Solis)
896	653	___	Sher and Hauser
897	___	544	Killea
898	2053	___	Gotch
899	___	689	Kopp (Principal coauthors: Senators Leslie and Torres) (Coauthor: Senator Hurtt) (Coauthors: Assembly Members Alpert, Andal, Baca, Boland, Conroy, Haynes, Katz, and Rainey)
900	170	___	Honeycutt
901	1224	___	Knowles
902	1251	___	Polanco (Coauthor: Senator Russell)
903	___	1061	Mello

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
904	___	837	Wright
905	1519	___	Isenberg (Principal coauthor: Senator Torres)
906	557	___	Farr
907	___	814	Greene
908	___	472	Committee on Energy and Public Utilities (Senators Rosenthal (Chairman), Alquist, Greene, Hayden, Russell, and Torres)
909	___	15	Lockyer
910	___	687	Boatwright
911	___	754	Hughes
912	___	419	Wright
913	___	1091	Killea
914	1707	___	Farr (Principal coauthor: Senator Mello)
915	1310	___	Alpert (Coauthor: Assembly Member Quackenbush)
916	672	___	Woodruff (Principal coauthor: Senator Alquist) (Coauthor: Assembly Member Areias)
917	424	___	Peace
918	2087	___	Takasugi
919	1518	___	Aguiar
920	1631	___	Karnette
921	___	368	Kopp
922	337	___	Statham (Coauthor: Assembly Member Hauser)
923	2185	___	Eastin
924	1708	___	Murray
925	___	425	Lockyer
926	2205	___	Committee on Judiciary as presented by Assembly Member Connolly on behalf of the committee (Archie-Hudson, Caldera, Collins, Epple, Goldsmith, Horcher, Isenberg, Snyder, Speier, Statham, and Weggeland)
927	1930	___	Weggeland
928	395	___	Hannigan (Principal coauthors: Assembly Members Bornstein and Richter) (Coauthor: Senator Johnston)
929	2380	___	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)
930	___	560	Mello
931	972	___	Jones
932	___	910	Calderon
933	___	1153	Hart (Principal coauthor: Assembly Member O'Connell) (Coauthor: Assembly Member Seastrand)
934	1038	___	Archie-Hudson (Principal coauthor: Assembly Member Barbara Friedman) (Principal coauthor: Senator Watson)
935	___	145	Calderon
936	508	___	Speier (Principal Senate coauthor: Senator Killea) (Coauthor: Senator Watson)
937	1602	___	Woodruff
938	616	___	Gotch
939	2355	___	Eastin
940	1723	___	Knight
941	387	___	Boland
942	1290	___	Isenberg
943	69	___	Cannella (Principal coauthor: Senator Maddy)
944	___	915	Johnston (Coauthor: Assembly Member Bowler)
945	___	1085	Bergeson
946	___	1176	Kopp
947	1676	___	Margolin
948	1713	___	Farr (Coauthor: Assembly Member Areias)
949	___	431	Greene
950	___	415	Presley
951	1741	___	Bates, Alpert, Connelly, Moore, and Napolitano (Coauthors: Senators McCorquodale and Watson)
952	2011	___	Polanco
953	___	640	Hart
954	581	___	Speier (Coauthors: Assembly Members Ferguson and Umberg)
955	___	312	Petris
956	___	316	Rosenthal
957	___	572	Killea (Coauthor: Assembly Member Alpert)
958	___	575	Rogers
959	___	734	Rosenthal
960	11	___	Eastin (Coauthors: Assembly Members Baca, Bates, Gotch, Karnette, Napolitano, O'Connell, and Speier) (Coauthors: Senators Dills, Killea, McCorquodale, and Watson)
961	75	___	Hauser
962	713	___	Goldsmith (Coauthor: Senator Kelley)
963	771	___	Areias (Coauthor: Senator Wyman)
964	790	___	Sher (Principal coauthor: Assembly Member Hauser) (Coauthor: Senator Thompson)
965	840	___	Peace
966	925	___	Burton
967	931	___	Barbara Friedman
968	1023	___	Baca
969	1124	___	Hauser
970	1166	___	Polanco
971	1453	___	Sher (Coauthor: Senator Morgan)
972	1663	___	Napolitano
973	1937	___	Campbell
974	___	482	Johnston
975	___	435	Russell (Principal coauthor: Assembly Member Hoge)
976	___	154	Roberti and Ayala (Coauthor: Assembly Member Aguiar)
977	___	213	Beverly
978	___	305	Lockyer
979	___	357	Thompson, Bergeson, and Torres (Principal coauthor: Assembly Member Woodruff) (Coauthor: Senator McCorquodale) (Coauthors: Assembly Members Alpert, Areias, Baca, Conroy, Costa, Eastin, Haynes, O'Connell, Peace, and Solis)
980	___	365	Kelley
981	___	461	Thompson
982	___	645	Presley
983	___	789	Rosenthal
984	___	896	McCorquodale
985	___	931	Killea
986	___	1008	McCorquodale, Alquist, Kopp, and Leslie (Coauthors: Assembly Members Alpert and Ferguson)
987	___	1221	Maddy
988	___	1225	Committee on Budget and Fiscal Review
989	562	___	Hannigan
990	841	___	Peace
991	881	___	McDonald
992	1632	___	Speier
993	1696	___	Martinez, Baca, Campbell, Terry Friedman, Katz, Knowles, Morrow, and Richter (Coauthor: Senator Torres)
994	1785	___	Tucker
995	1850	___	Nolan
996	1856	___	Speier
997	1980	___	Klehs
998	2016	___	Conroy
999	2356	___	Hauser
1000	2268	___	Caldera (Principal coauthor: Senator Torres)
1001	7	___	Campbell
1002	99	___	Andal (Coauthors: Assembly Members Boland, Bowler, Conroy, Hoge, Knowles, and Woodruff) (Coauthor: Senator Kopp)

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
1003	279	___	Seastrand (Principal coauthor: Assembly Member O'Connell) (Principal coauthor: Senator Hart) (Coauthors: Assembly Members Aguiar, Allen, Andal, Boland, Bowler, Brulte, Conroy, Costa, Farr, Ferguson, Frazee, Goldsmith, Harvey, Haynes, Hoge, Honeycutt, Johnson, Jones, Knight, Knowles, Morrow, Mountjoy, Nolan, Pringle, Quackenbush, Rainey, Richter, Statham, Takasugi, Weggeland, and Woodruff)
1004	336	___	Snyder
1005	485	___	O'Connell (Principal coauthor: Assembly Member Seastrand) (Principal coauthor: Senator Hart)
1006	776	___	Hannigan
1007	865	___	Johnson
1008	1011	___	Sher
1009	1017	___	Campbell
1010	1472	___	Hauser
1011	1573	___	Burton (Principal coauthor: Senator Kopp) (Coauthor: Assembly Member Willie Brown)
1012	1597	___	Knowles
1013	1646	___	Costa
1014	1656	___	Polanco
1015	1863	___	Burton
1016	1929	___	Weggeland
1017	1935	___	Richter, Conroy, Ferguson, and Knowles
1018	2146	___	Horcher
1019	2253	___	Areias
1020	2259	___	Woodruff
1021	___	144	Calderon
1022	___	388	Rosenthal
1023	___	448	Alquist
1024	___	650	Kelley
1025	___	1022	Thompson
1026	430	___	Hauser (Coauthor: Senator Thompson)
1027	1151	___	Alpert
1028	1890	___	Sher
1029	1336	___	Gotch
1030	36	___	Quackenbush
1031	198	___	Willie Brown
1032	340	___	Katz (Principal coauthors: Assembly Members Willie Brown and Lee) (Principal coauthor: Senator Roberti) (Coauthors: Assembly Members Alpert, Baca, Bowen, Bronshvag, Campbell, Costa, Eastin, Gotch, McDonald, Martinez, Moore, Murray, O'Connell, Peace, Solis, and Umberg) (Coauthors: Senators Alquist, Dills, Hughes, Mello, Rosenthal, Torres, and Watson)
1033	454	___	Solis, Baca, Barbara Friedman, Gotch, and Speier (Coauthors: Senators Killea, Torres, and Watson)
1034	677	___	Moore
1035	681	___	Moore
1036	769	___	Areias
1037	956	___	Cannella
1038	969	___	Jones
1039	937	___	Campbell
1040	1004	___	Campbell
1041	1060	___	Costa and Pringle
1042	1065	___	Campbell
1043	1073	___	McDonald (Coauthors: Senators Thompson and Wyman)
1044	1090	___	Tucker
1045	1108	___	Peace
1046	1144	___	Goldsmith (Coauthor: Assembly Member Cannella)
1047	1229	___	Conroy
1048	1256	___	Costa and Bustamante
1049	1301	___	Cortese
1050	1491	___	Murray
1051	1494	___	Campbell
1052	1768	___	Margolin
1053	1824	___	Lee
1054	1885	___	Valerie Brown
1055	1896	___	Bornstein
1056	2026	___	Bronshvag
1057	2275	___	Tucker
1058	___	50	Thompson (Coauthor: Assembly Member Areias)
1059	___	206	Torres, Johnston, and McCorquodale (Coauthors: Assembly Members Campbell, Moore, O'Connell, Peace, Sher, and Statham)
1060	___	263	Mello and Killea (Principal coauthors: Senators Craven, Deddeh, and Kelley) (Principal coauthors: Assembly Members Alpert, Areias, Connolly, Farr, Frazee, Goldsmith, Gotch, and Haynes)
1061	___	418	Morgan
1062	___	466	Boatwright
1063	___	513	Morgan
1064	___	551	Hughes
1065	___	598	Rosenthal
1066	___	603	Rogers (Principal coauthor: Assembly Member Conroy)
1067	___	639	Rosenthal
1068	___	659	Deddeh
1069	___	694	Killea
1070	___	722	Kopp
1071	___	730	Johnston
1072	___	743	Boatwright, Killea, Kopp, McCorquodale, Torres, and Watson (Coauthors: Assembly Members Eastin and Solis)
1073	___	802	Lewis (Coauthor: Assembly Member Pringle)
1074	___	817	Wright
1075	___	877	Marks
1076	___	951	Hart (Principal coauthor: Senator Killea)
1077	___	991	Kelley
1078	___	1025	Thompson
1079	1450	___	Escutia
1080	___	96	Johnston (Coauthors: Assembly Members Areias and Klehs)
1081	___	417	Marks
1082	2278	___	Tucker
1083	798	___	Sher
1084	___	584	Maddy
1085	___	518	Maddy
1086	747	___	Speier
1087	930	___	Barbara Friedman and O'Connell
1088	1197	___	Bates
1089	2129	___	Committee on Human Services (Assembly Members Bates, Valerie Brown, Collins, and Snyder) (Coauthors: Assembly Members Archie-Hudson, Pringle, and Takasugi)
1090	___	176	Maddy
1091	2207	___	Committee on Judiciary as presented by Assembly Member Statham on behalf of the committee (Archie-Hudson, Caldera, Collins, Connolly, Epple, Horcher, Isenberg, Snyder, Speier, and Weggeland)
1092	431	___	Moore
1093	780	___	Epple
1094	904	___	Sher
1095	1153	___	Costa
1096	1183	___	Sher
1097	1191	___	Aguiar
1098	1268	___	Martinez and Peace (Coauthors: Assembly Members O'Connell and Umberg)
1099	1353	___	Cortese
1100	1406	___	Morrow
1101	1469	___	Speier
1102	1473	___	Costa
1103	1559	___	Tucker
1104	1567	___	Hauser
1105	1677	___	Hauser
1106	1727	___	Polanco (Coauthors: Assembly Members Karnette and Lee) (Coauthors: Senators Watson and Wyman)
1107	1766	___	Hannigan
1108	1884	___	Sher

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
1109	___	103	Greene
1110	___	342	Maddy
1111	___	651	Kopp
1112	___	688	McCorquodale
1113	___	704	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Dills, Kopp, Lockyer, and Maddy)
1114	___	714	Bergeson
1115	___	770	Maddy
1116	___	986	Petris (Coauthors: Assembly Members Bates and Lee)
1117	___	1030	Thompson
1118	___	1045	Maddy
1119	___	1196	Kelley
1120	___	1237	Maddy
1121	63	___	Brulte and Klehs (Coauthors: Senators Dills and Kopp)
1122	383	___	Lee
1123	1476	___	Speier, Alpert, Lee, Martinez, Moore, Napolitano, and Solis (Coauthors: Senators Hughes, Morgan, and Watson)
1124	1561	___	Baca
1125	1630	___	Nolan (Principal coauthor: Senator Killea) (Coauthors: Assembly Members Andal, Boland, Conroy, Ferguson, Haynes, Hoge, Honeycutt, Johnson, Pringle, Rainey, Richter, and Woodruff) (Coauthors: Senators Alquist, Hurtt, Kopp, Presley, and Russell)
1126	1777	___	O'Connell
1127	1899	___	Harvey
1128	___	460	Thompson (Principal coauthors: Senators Lewis and Torres)
1129	___	855	Greene
1130	1888	___	Sher and Allen (Coauthors: Assembly Members Bates, Bowen, Farr, Terry Friedman, Gotch, Margolin, and Tucker)
1131	___	919	Dills
1132	39	___	Archie-Hudson and Woodruff (Principal coauthor: Assembly Member Pringle)
1133	___	429	Lewis
1134	___	558	Killea, Hill and Lewis (Principal coauthor: Senator Johnston)
1135	1021	___	Peace
1136	1426	___	Burton
1137	___	36	Kopp, Ayala, Roberti, and Rosenthal (Coauthors: Assembly Members Bornstein and Richter)
1138	___	1140	Calderon
1139	___	180	Hughes
1140	___	231	Marks
1141	___	476	Mello
1142	___	625	Johnston (Coauthor: Assembly Member Polanco)
1143	___	771	Rosenthal
1144	___	857	Committee on Public Employment and Retirement (Senators Hughes (Chairman), Johnston, McCorquodale, and Wright)
1145	___	922	Calderon
1146	28	___	Margolin
1147	1161	___	Quackenbush
1148	1202	___	Hauser
1149	1419	___	Baca
1150	___	1101	Calderon
1151	1436	___	Connolly and Peace
1152	1621	___	Burton
1153	1732	___	Brulte
1154	1834	___	Snyder
1155	2007	___	Alpert
1156	___	541	Hart
1157	___	1084	Calderon
1158	___	1152	Committee on Health and Human Services (Senators Watson (Chair), Calderon, Deddeh, Hughes, Mello, Rosenthal, and Thompson) (Coauthor: Assembly Member O'Connell)
1159	___	314	McCorquodale and Rosenthal (Principal coauthor: Assembly Member Katz) (Coauthors: Assembly Members Alpert, Andal, Baca, Bates, Bowen, Valerie Brown, Cannella, Connolly, Epple, Gotch, Hannigan, Hauser, Jones, Karnette, Knight, Lee, Moore, O'Connell, Snyder, Speier, Umberg, and Weggeland)
1160	___	887	Hughes
1161	___	1136	Kelley
1162	1830	___	Harvey
1163	1014	___	Sher
1164	1496	___	Peace, Alpert, Archie-Hudson, Baca, Bornstein, Bronshvag, Caldera, Connolly, Conroy, Costa, Eastin, Epple, Gotch, Hauser, Karnette, Lee, Martinez, Moore, O'Connell, and Solis (Principal coauthor: Senator Deddeh) (Coauthors: Senators Dills, Hurtt, Kelley, and Watson)
1165	709	___	Areias, Harvey, and Jones (Coauthor: Senator McCorquodale)
1166	2288	___	Quackenbush
1167	155	___	Connolly
1168	348	___	Cannella
1169	440	___	Sher
1170	259	___	Hannigan (Principal coauthor: Assembly Member O'Connell)
1171	311	___	Honeycutt
1172	344	___	Hauser
1173	488	___	Pringle (Principal coauthor: Assembly Member Morrow) (Coauthors: Assembly Members Aguiar, Alpert, Andal, Bowen, Caldera, Conroy, Goldsmith, Richter, Speier, and Statham) (Coauthors: Senators Dills and Lewis)
1174	522	___	Hauser
1175	565	___	Polanco (Coauthors: Assembly Members Karnette and Lee) (Coauthors: Senators Watson and Wyman)
1176	770	___	Areias
1177	1150	___	Alpert
1178	1338	___	Bronshvag
1179	1504	___	Allen
1180	1520	___	Aguiar
1181	1583	___	Richter
1182	1986	___	Klehs, Bates, Hannigan, O'Connell, and Solis (Coauthors: Senators Petris and Watson)
1183	2039	___	Farr (Principal coauthor: Assembly Member O'Connell) (Coauthors: Senators Mello and Roberti)
1184	2061	___	Umberg
1185	2108	___	Farr
1186	2283	___	Lee
1187	___	70	Greene
1188	___	148	Boatwright
1189	___	165	Marks
1190	___	171	Beverly
1191	___	236	Lockyer
1192	___	238	Lockyer
1193	___	331	Mello
1194	___	376	Bergeson
1195	___	405	Committee on Local Government (Senators Bergeson (Chairman), Ayala, Calderon, Craven, Hughes, Kopp, Presley, and Thompson)
1196	___	462	Thompson (Coauthors: Senators Petris and Watson) (Coauthors: Assembly Members Alpert, Andal, Bowen, Valerie Brown, Caldera, Eastin, Farr, Moore, O'Connell, Solis, Statham, Umberg, and Woodruff)
1197	___	540	Marks
1198	___	581	Deddeh
1199	___	608	Rosenthal
1200	___	664	Craven
1201	___	696	Roberti
1202	___	775	Watson

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
1203	___	796	Wright
1204	___	851	Lewis
1205	___	1003	Johnston
1206	___	1105	Leslie
1207	___	1044	Kelley (Principal coauthor: Senator Morgan)
1208	547	___	Speier (Coauthors: Assembly Members Alpert, Bornstein, Bowen, Valerie Brown, Eastin, Escutia, Barbara Friedman, Karnette, Lee, Martinez, Moore, Napolitano, Solis, and Snyder) (Coauthors: Senators Hughes, Killea, Thompson, and Watson)
1209	___	590	Torres (Principal coauthor: Assembly Member Willie Brown) (Coauthor: Assembly Member Polanco)
1210	1100	___	Willie Brown (Principal coauthor: Senator Torres) (Coauthor: Assembly Member Polanco)
1211	291	___	Speier
1212	323	___	Eastin (Principal coauthors: Senators Craven, Kopp, and Petris) (Coauthors: Assembly Members Allen, Alpert, Baca, Valerie Brown, Cannella, Connolly, Cortese, Escutia, Farr, Gotch, Hauser, Karnette, Katz, Lee, Margolin, Martinez, Moore, O'Connell, Snyder, Solis, and Speier) (Coauthors: Senators Alquist, Dills, Killea, Lockyer, McCorquodale, Rosenthal, Thompson, and Watson)
1213	477	___	Horcher
1214	551	___	Snyder
1215	623	___	Terry Friedman
1216	693	___	Cannella (Principal coauthor: Assembly Member Farr) (Coauthors: Assembly Members Alpert, Andal, Baca, Bowen, Conroy, Epple, Horcher, Martinez, and Rainey) (Coauthors: Senators Dills, McCorquodale, and Watson)
1217	984	___	Hauser (Coauthor: Assembly Member Richter)
1218	994	___	Tucker
1219	1086	___	Campbell and O'Connell
1220	1138	___	Knight
1221	1350	___	Polanco, Areias, Baca, Caldera, Conroy, Escutia, Ferguson, Horcher, Napolitano, and Solis (Coauthors: Senators Calderon and Torres)
1222	1438	___	Caldera
1223	1523	___	Areias, Cortese, Aguiar, Archie-Hudson, Boland, Bornstein, Willie Brown, Brulte, Cannella, Collins, Conroy, Costa, Epple, Farr, Terry Friedman, Gotch, Harvey, Hauser, Haynes, Horcher, Martinez, Moore, Murray, Napolitano, Rainey, Solis, Umberg, and Woodruff (Coauthors: Senators Ayala, Calderon, Dills, Hughes, Marks, Thompson, and Watson)
1224	1587	___	Katz (Principal coauthor: Assembly Member Nolan)
1225	1813	___	McDonald
1226	2015	___	Moore
1227	2375	___	Brulte
1228	___	170	Craven, Boatwright, Dills, and Petris (Coauthor: Assembly Member Eastin)
1229	224	___	Speier
1230	2250	___	Speier and Collins
1231	422	___	Archie-Hudson
1232	598	___	Speier
1233	726	___	Moore
1234	890	___	Barbara Friedman
1235	1624	___	Bowen (Principal coauthor: Senator Torres) (Coauthors: Assembly Members Areias, Bornstein, Goldsmith, Isenberg, Johnson, Karnette, Katz, Mountjoy, Nolan, Polanco, Speier, and Vasconcellos) (Coauthors: Senators Dills, Hayden, Killea, Morgan, and Rosenthal)
1236	___	911	Calderon
1237	919	___	Speier
1238	891	___	Speier
1239	___	9	Lockyer
1240	1277	___	Archie-Hudson
1241	___	147	Johnston
1242	___	223	Lockyer
1243	___	16	Killea, Hart, Hayden, Hill, Keene, and Thompson (Principal coauthor: Senator Alquist) (Principal coauthors: Assembly Members Isenberg and Vasconcellos)
1244	___	126	Lockyer
1245	___	282	Morgan and Russell (Coauthors: Assembly Members Bates, Quackenbush, and Vasconcellos)
1246	___	527	Presley
1247	___	649	Leslie
1248	___	905	Maddy, Deddeh, Hill, Johnston, Killea, Lewis, McCorquodale, and Rogers (Principal coauthors: Assembly Members Willie Brown and Brulte) (Coauthors: Senators Beverly, Leonard, Leslie, and Morgan) (Coauthors: Assembly Members Alpert, Andal, Areias, Campbell, Conroy, Cortese, Costa, Farr, Ferguson, Hauser, Hoge, Honeycutt, Horcher, Johnson, Jones, Knight, Knowles, Morrow, Mountjoy, Nolan, Richter, Seastrand, Sher, Statham, and Woodruff)
1249	___	934	Kopp
1250	206	___	Allen
1251	___	464	McCorquodale
1252	___	1078	Watson
1253	897	___	Costa
1254	___	936	McCorquodale
1255	432	___	Boland and Napolitano (Principal coauthor: Assembly Member Peace) (Coauthors: Assembly Members Allen, Alpert, and Haynes)
1256	___	1198	Hart
1257	___	1130	Roberti
1258	1488	___	Gotch (Principal coauthor: Assembly Member Margolin)
1259	1467	___	Sher
1260	1803	___	Pringle
1261	___	401	Lockyer
1262	1272	___	Connolly
1263	936	___	Rainey
1264	___	574	Boatwright
1265	___	798	Rosenthal
1266	___	756	Kelley
1267	___	916	Presley
1268	___	984	Greene
1269	1972	___	Horcher
1270	___	947	Bergeson
1271	266	___	Archie-Hudson (Coauthors: Assembly Members Eastin and Moore)
1272	393	___	Cortese (Coauthors: Assembly Members Alpert, Areias, Quackenbush, and Speier) (Coauthor: Senator Alquist)
1273	579	___	Baca
1274	1289	___	Moore
1275	1370	___	Ferguson
1276	2072	___	Knight
1277	2244	___	Polanco (Coauthor: Senator Calderon)
1278	2342	___	Peace
1279	2371	___	Hauser
1280	___	350	Killea (Coauthor: Senator Watson) (Coauthors: Assembly Members Eastin, Ferguson, Karnette, Lee, Solis, and Speier)
1281	___	600	Rosenthal
1282	___	626	Roberti
1283	___	1092	Killea
1284	___	1093	Killea
1285	107	___	Tucker
1286	___	494	Kelley

TABLE OF LAWS ENACTED—Continued

1993

Ch. No.	A.B. No.	S.B. No.	Author
1287	—	741	Rogers
1288	—	779	Leslie (Coauthors: Assembly Members Haynes and Knowles)
1289	—	367	Kopp and Hayden (Coauthors: Assembly Members Andal, Bowen, Conroy, and Epple)
1290	—	504	Hayden
1291	2367	—	Polanco
1292	—	274	Committee on Transportation (Senators Kopp (Chairman), Ayala, Bergeson, Boatwright, Kelley, Killea, McCorquodale, Russell, and Torres)
1293	355	—	Aguiar (Coauthor: Assembly Member Goldsmith)
1294	1904	—	Willie Brown
1295	599	—	Speier
1296	369	—	O'Connell and Burton
1297	—	53	Russell (Principal coauthor: Senator McCorquodale) (Coauthors: Senators Hughes and Kopp) (Principal coauthor: Assembly Member Cannella)
1298	1618	—	(Coauthors: Assemlby Members Conroy and Ferguson) Valerie Brown, Campbell, and Murray (Coauthor: Senator Kopp)
1299	—	149	Boatwright
1300	—	408	Craven
1301	—	445	Craven (Coauthor: Assembly Member Frazee)
1302	—	535	Marks
1303	—	648	Leslie (Coauthor: Senator Johnston)
1304	941	—	Nolan, Andal, Boland, Seastrand, Statham, and Umberg
1305	239	—	Goldsmith, Aguiar, Andal, Cannella, Conroy, Cortese, Harvey, Karnette, Martinez, Rainey, Richter, Seastrand, and Umberg (Coauthors: Senators Hughes, Kelley, Killea, McCorquodale, Torres, and Watson)
1306	1315	—	Sher
1307	1335	—	Gotch (Principal coauthor: Assembly Member Farr)

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE

1993

1993–94 Regular Session

Res. Ch.	Res. No.		Author
1	ACR	1	Burton
2	SJR	2	Thompson, Ayala, Beverly, Boatwright, Calderon, Craven, Dills, Greene, Hayden, Kelley, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Watson, and Wright (Coauthors: Assembly Members Bowen, Valerie Brown, Hannigan, Aguiar, Alpert, Andal, Archie-Hudson, Areias, Baca, Boland, Bornstein, Bowler, Bronshvag, Willie Brown, Brulte, Burton, Caldera, Campbell, Collins, Connolly, Conroy, Cortese, Costa, Epple, Escutia, Farr, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Jones, Karnette, Knight, Knowles, Margolin, Martinez, McDonald, Morrow, Mountjoy, Murray, Napolitano, Nolan, O'Connell, Peace, Pringle, Quackenbush, Rainey, Seastrand, Sher, Snyder, Solis, Statham, Takasugi, Tucker, Weggeland, and Woodruff)
3	ACR	2	Lee (Principal coauthor: Assembly Member Polanco) (Coauthors: Assembly Members Archie-Hudson, Campbell, Connolly, Costa, Eastin, Barbara Friedman, Martinez, McDonald, Moore, Murray, Peace, Richter, Solis, Tucker, Umberg, Aguiar, Allen, Alpert, Baca, Bates, Bornstein, Bowen, Bronshvag, Valerie Brown, Burton, Caldera, Cannella, Collins, Conroy, Epple, Ferguson, Frazee, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Horcher, Isenberg, Karnette, Katz, Klehs, Morrow, Napolitano, Rainey, Sher, Snyder, Speier, Statham, Takasugi, and Vasconcellos) (Coauthors: Senators Hughes and Watson)
4	ACR	18	Lee, Archie-Hudson, Willie Brown, McDonald, Moore, Murray, Tucker, Allen, Alpert, Andal, Areias, Baca, Bornstein, Bowler, Bronshvag, Valerie Brown, Brulte, Caldera, Campbell, Cannella, Collins, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Escutia, Farr, Ferguson, Frazee, Barbara Friedman, Gotch, Hannigan, Harvey, Hauser, Haynes, Honeycutt, Horcher, Isenberg, Karnette, Margolin, Martinez, Napolitano, O'Connell, Peace, Polanco, Pringle, Rainey, Sher, Snyder, Solis, Statham, Umberg, Weggeland, and Woodruff (Coauthors: Senators Hughes and Watson)
5	AJR	13	Bowen (Principal Senate coauthor: Senator Dills) (Coauthors: Assembly Members Aguiar, Boland, Caldera, Escutia, Karnette, Katz, Martinez, Polanco, Solis, Tucker, Allen, Andal, Archie-Hudson, Areias, Baca, Bornstein, Bowen, Bronshvag, Valerie Brown, Willie Brown, Burton, Collins, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Farr, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Horcher, Isenberg, Johnson, Jones, Klehs, Knight, Lee, Margolin, McDonald, Morrow, Mountjoy, Napolitano, O'Connell, Peace, Pringle, Quackenbush, Rainey, Richter, Seastrand, Snyder, Speier, Takasugi, Umberg, Vasconcellos, and Woodruff) (Coauthors: Senators Beverly, Hughes, Rogers, Rosenthal, and Russell)
6	AJR	15	Weggeland (Principal coauthor: Assembly Member Haynes) (Principal Senate coauthor: Senator Presley) (Coauthors: Assembly Members Woodruff, Aguiar, Baca, Bornstein, Brulte, and Honeycutt) (Coauthors: Senators Ayala, Kelley, Leonard, and Rogers)
7	AJR	23	McDonald, Lee, and Horcher
8	AJR	2	Conroy, Allen, Alpert, Andal, Baca, Boland, Bronshvag, Brulte, Caldera, Collins, Cortese, Epple, Ferguson, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Jones, Moore, Polanco, Quackenbush, Richter, Statham, Tucker, Umberg, Weggeland, Aguiar, Bornstein, Bowen, Valerie Brown, Cannella, Connolly, Costa, Eastin, Escutia, Farr, Goldsmith, Gotch, Harvey, Hauser, Karnette, Knight, Morrow, Mountjoy, Nolan, O'Connell, Pringle, Rainey, Seastrand, Snyder, Solis, Takasugi, and Woodruff (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Hart, Kelley, Kopp, Leonard, Leslie, Lewis, Morgan, Presley, Rogers, Rosenthal, Russell, Torres, and Wright)
9	SCR	5	Kelley, Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Craven, Deddeh, Dills, Greene, Hart, Hayden, Hughes, Johnston, Killea, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, McCorquodale, Mello, Morgan, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, and Wright
10	SJR	9	Marks, Alquist, Ayala, Bergeson, Beverly, Boatwright, Dills, Greene, Hill, Hurtt, Johnston, Kelley, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, McCorquodale, Mello, Morgan, Petris, Presley, Rogers, Rosenthal, Russell, Thompson, Torres, and Wright
11	AJR	8	Ferguson, Aguiar, Alpert, Andal, Boland, Bowen, Bowler, Collins, Conroy, Goldsmith, Harvey, Haynes, Honeycutt, Jones, Nolan, Polanco, Rainey, Richter, Seastrand, Speier, Statham, and Woodruff (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Boatwright, Dills, Greene, Hart, Hayden, Hill, Hurtt, Johnston, Kelley, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Mello, Morgan, Petris, Presley, Rogers, Rosenthal, Russell, Thompson, Torres, and Wright)
12	ACR	32	Goldsmith
13	ACR	13	Murray (Coauthors: Assembly Members Allen, Alpert, Andal, Archie-Hudson, Boland, Bornstein, Bowen, Valerie Brown, Caldera, Campbell, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Ferguson, Gotch, Harvey, Hauser, Honeycutt, Horcher, Karnette, Katz, Lee, Martinez, McDonald, Moore, Napolitano, Nolan, O'Connell, Rainey, Richter, Speier, Statham, Vasconcellos, and Woodruff) (Coauthors: Senators Bergeson, Dills, Hill, Hughes, Leonard, Lewis, McCorquodale, Petris, Presley, Thompson, Torres, Watson, and Wright)

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE—Continued

1993

Res. Ch.	Res. No.		Author
14	SCR	3	Hart
15	ACR	26	Brulte
16	SCR	2	Greene
17	AJR	5	Katz, Archie-Hudson, Baca, Bowen, Caldera, Cortese, Costa, Eastin, Escutia, Farr, Lee, Margolin, Moore, Murray, O'Connell, Napolitano, Solis, and Umberg (Coauthors: Senators Dills, Hayden, Hughes, Marks, Presley, Roberti, Rosenthal, Torres, Watson, and Wright)
18	ACR	15	Katz, Aguiar, Alpert, Andal, Archie-Hudson, Bates, Boland, Bornstein, Bowen, Bronshvag, Valerie Brown, Brulte, Caldera, Campbell, Cannella, Collins, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Farr, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Gotch, Hannigan, Harvey, Hauser, Honeycutt, Horcher, Isenberg, Johnson, Klehs, Margolin, Martinez, Moore, Morrow, Murray, Nolan, O'Connell, Peace, Polanco, Pringle, Quackenbush, Rainey, Richter, Sher, Speier, Statham, Tucker, Umberg, Vasconcellos, Weggeland, and Woodruff (Coauthors: Senators Alquist, Bergeson, Beverly, Boatwright, Calderon, Dills, Greene, Hart, Hayden, Hill, Hughes, Johnston, Kelley, Killea, Kopp, Leonard, Lewis, Lockyer, Marks, McCorquodale, Morgan, Petris, Presley, Roberti, Rogers, Rosenthal, Thompson, Torres, Watson, and Wright)
19	ACR	17	Horcher and Pringle (Principal coauthor: Senator Torres) (Coauthors: Assembly Members Aguiar, Archie-Hudson, Boland, Brulte, Campbell, Cannella, Collins, Connolly, Conroy, Cortese, Costa, Epple, Ferguson, Frazee, Hannigan, Harvey, Isenberg, Katz, Martinez, Nolan, Peace, Polanco, Richter, Solis, Speier, Statham, Takasugi, Umberg, and Woodruff) (Coauthors: Senators Calderon, Hart, Hill, McCorquodale, Morgan, Presley, Rogers, and Thompson)
20	ACR	36	Connolly and Collins (Coauthor: Senator Johnston)
21	ACR	38	Alpert, Boland, Bronshvag, Valerie Brown, Eastin, Escutia, Barbara Friedman, Honeycutt, Karnette, Martinez, McDonald, Moore, Napolitano, Snyder, and Speier (Coauthors: Senators Bergeson, Hughes, Killea, Morgan, and Watson)
22	ACR	39	Aguiar (Coauthor: Senator Ayala)
23	AJR	28	Speier, Katz, Nolan, Valerie Brown, Aguiar, Alpert, Andal, Archie-Hudson, Baca, Bates, Boland, Bornstein, Bowen, Bowler, Bronshvag, Willie Brown, Brulte, Burton, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Escutia, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Jones, Karnette, Klehs, Knight, Margolin, Martinez, McDonald, Moore, Morrow, Murray, Napolitano, O'Connell, Peace, Polanco, Pringle, Quackenbush, Rainey, Richter, Seastrand, Sher, Snyder, Solis, Statham, Weggeland, and Woodruff (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Craven, Deddeh, Dills, Greene, Hart, Hayden, Hill, Hughes, Hurtt, Johnston, Kelley, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, McCorquodale, Mello, Morgan, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, and Wright)
24	ACR	5	Areias
25	ACR	43	Areias and Farr
26	ACR	44	Speier, Alpert, Hannigan, Harvey, Katz, O'Connell, Sher, and Woodruff (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Boatwright, Craven, Deddeh, Dills, Greene, Hart, Hayden, Hill, Hughes, Hurtt, Kelley, Killea, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Mello, Morgan, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, and Wright)
27	ACR	11	Margolin
28	SJR	3	Petris (Coauthors: Senators Alquist, Hayden, Marks, Presley, Rosenthal, Torres, and Watson) (Coauthors: Assembly Members Alpert, Archie-Hudson, Bates, Connolly, Cortese, Eastin, Escutia, Farr, Terry Friedman, Hauser, Lee, Moore, Napolitano, Sher, and Solis)
29	ACR	51	Knowles, Cannella, Aguiar, Alpert, Andal, Areias, Baca, Bates, Boland, Bornstein, Bowler, Brulte, Burton, Bustamante, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Escutia, Farr, Frazee, Goldsmith, Gotch, Harvey, Haynes, Hoge, Karnette, Knight, Martinez, Moore, Morrow, Mountjoy, Murray, Napolitano, Peace, Polanco, Quackenbush, Rainey, Richter, Seastrand, Snyder, Statham, Takasugi, Umberg, Weggeland, and Woodruff
30	SJR	14	Ayala, Alquist, Beverly, Boatwright, Calderon, Craven, Deddeh, Dills, Greene, Hart, Hayden, Hill, Hughes, Hurtt, Johnston, Kelley, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, McCorquodale, Morgan, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, and Wright (Coauthors: Assembly Members Bates, Aguiar, Alpert, Andal, Archie-Hudson, Areias, Baca, Boland, Bornstein, Bowler, Bronshvag, Valerie Brown, Willie Brown, Brulte, Burton, Bustamante, Caldera, Connolly, Conroy, Cortese, Eastin, Epple, Escutia, Farr, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Honeycutt, Horcher, Katz, Klehs, Knight, Knowles, Lee, Martinez, McDonald, Moore, Morrow, Mountjoy, Murray, Napolitano, O'Connell, Peace, Quackenbush, Rainey, Richter, Seastrand, Snyder, Solis, Speier, Umberg, Vasconcellos, and Woodruff)
31	SCR	4	Committee on Judiciary
32	SJR	7	Thompson
33	AJR	27	Quackenbush
34	SJR	10	Committee on Transportation (Senators Kopp (Chairman), Ayala, Bergeson, Boatwright, Johnston, Kelley, McCorquodale, Russell, and Torres)
35	ACR	3	Costa
36	ACR	27	Isenberg (Principal Senate coauthor: Senator Boatwright) (Coauthors: Assembly Members Alpert, Andal, Bates, Bowen, Burton, Caldera, Eastin, Escutia, Farr, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Karnette, Klehs, Margolin, Martinez, McDonald, Quackenbush, Sher, Solis, Speier, and Statham) (Coauthors: Senators Ayala,

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE—Continued

1993

Res. Ch.	Res. No.		Author
			Bergeson, Deddeh, Hayden, Johnston, Kopp, McCorquodale, Morgan, Petris, Thompson, Torres, and Watson)
37	AJR	22	McDonald, Karnette, Archie-Hudson, Baca, Boland, Bornstein, Willie Brown, Caldera, Conroy, Eastin, Epple, Barbara Friedman, Terry Friedman, Harvey, Horcher, Katz, Klehs, Martinez, Mountjoy, Murray, Napolitano, Nolan, O'Connell, Polanco, Pringle, Snyder, and Solis (Coauthors: Senators Beverly, Dills, and Hughes)
38	AJR	42	Honeycutt, Baca, Aguiar, Allen, Andal, Archie-Hudson, Areias, Boland, Bornstein, Bowler, Bronshvag, Willie Brown, Brulte, Bustamante, Caldera, Cannella, Conroy, Cortese, Eastin, Farr, Ferguson, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Horcher, Jones, Karnette, Katz, Knight, Lee, Martinez, McDonald, Moore, Morrow, Mountjoy, Murray, Napolitano, Nolan, O'Connell, Peace, Polanco, Rainey, Seastrand, Snyder, Solis, Speier, Takasugi, Umberg, Weggeland, and Woodruff (Coauthors: Senators Rogers and Wyman)
39	ACR	28	McDonald
40	ACR	42	Speier, Aguiar, Alpert, Andal, Bowen, Bowler, Brulte, Caldera, Campbell, Connolly, Conroy, Costa, Eastin, Epple, Ferguson, Frazee, Terry Friedman, Gotch, Hauser, Honeycutt, Isenberg, Katz, Lee, Martinez, Moore, Nolan, O'Connell, Rainey, Richter, Sher, Solis, Statham, Takasugi, Umberg, and Woodruff (Coauthors: Senators Deddeh, Hill, Hughes, Lockyer, Marks, McCorquodale, Morgan, Presley, Rosenthal, Russell, Thompson, Torres, Watson, and Wright)
41	SCA	1	Committee on Budget and Fiscal Review
42	SCA	9	Roberti
43	SCR	1	Roberti
44	SJR	15	Thompson (Coauthor: Assembly Member Valerie Brown)
45	AJR	39	Campbell (Principal coauthor: Senator Kopp) (Coauthor: Assembly Member Rainey) (Coauthor: Senator Boatwright)
46	SCR	18	Dills (Principal coauthor: Assembly Member Katz) (Coauthors: Senators Ayala, Calderon, Deddeh, Kopp, Rogers, and Thompson) (Coauthor: Assembly Member Connolly)
47	SCR	9	McCorquodale
48	SCR	11	Rosenthal
49	SCR	21	Thompson (Coauthor: Assembly Member Bates)
50	SJR	17	Calderon and Torres
51	ACR	7	Knowles
52	ACR	10	Burton
53	ACR	6	Cortese
54	ACR	47	Alpert, Allen, Andal, Boland, Bowen, Bowler, Cannella, Conroy, Cortese, Costa, Epple, Hannigan, Hauser, Honeycutt, Martinez, Moore, Nolan, O'Connell, Pringle, Seastrand, Sher, Statham, and Woodruff (Coauthors: Senators Beverly, Hayden, Hughes, Killea, Lockyer, Morgan, Presley, Rosenthal, Watson, and Wright)
55	ACR	20	Aguiar (Principal coauthor: Senator Ayala)
56	SCR	6	Kopp, Alquist, Ayala, Beverly, Boatwright, Calderon, Craven, Deddeh, Greene, Hayden, Hughes, Johnston, Lockyer, Marks, McCorquodale, Morgan, Petris, Presley, Rosenthal, Russell, Thompson, Torres, Watson, and Wright (Principal coauthors: Assembly Members Costa and Katz)
57	SCR	17	Kelley
58	SJR	11	Bergeson
59	ACR	25	Statham
60	ACR	41	Cannella (Coauthor: Senator McCorquodale)
61	AJR	4	Conroy
62	AJR	31	Baca (Principal coauthor: Assembly Member Brulte) (Coauthor: Assembly Member Woodruff)
63	AJR	41	Hauser
64	SCR	23	Alquist (Principal coauthor: Assembly Member Vasconcellos)
65	SCR	15	Thompson (Principal coauthor: Senator Dills) (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Craven, Deddeh, Greene, Hart, Hayden, Hill, Hughes, Hurtt, Johnston, Kelley, Killea, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Mello, Morgan, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Torres, Watson, and Wright) (Coauthor: Assembly Member Brulte)
66	ACR	64	Horcher
67	SCA	15	Roberti
68	SCR	12	Torres
69	SCR	14	Torres
70	SJR	8	Mello and Marks
71	SJR	22	Presley, Craven, Deddeh, Kelley, and Killea
72	SJR	24	Thompson (Principal coauthor: Assembly Member Hannigan) (Coauthors: Senators Boatwright, Johnston, and Rogers) (Coauthor: Assembly Member Valerie Brown)
73	ACR	19	Statham
74	ACR	21	Gotch (Coauthor: Senator Killea)
75	ACR	22	Farr, Areias, Aguiar, Allen, Andal, Baca, Bates, Boland, Bornstein, Bowen, Bowler, Bronshvag, Valerie Brown, Willie Brown, Brulte, Burton, Bustamante, Caldera, Campbell, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Jones, Klehs, Knight, Knowles, Lee, Margolin, Martinez, McDonald, Morrow, Mountjoy, Murray, Napolitano, Nolan, O'Connell, Pringle, Quackenbush, Rainey, Richter, Seastrand, Sher, Snyder, Solis, Speier, Statham, Takasugi, Tucker, Umberg, Weggeland, and Woodruff (Coauthor: Senator Mello)
76	ACR	24	Richter
77	ACR	34	O'Connell
78	ACR	48	Cannella
79	AJR	14	Bowen and Katz
80	AJR	32	Bornstein
81	SCR	13	Rogers and Maddy (Coauthors: Assembly Members Costa, Harvey, and Jones)
82	SCR	24	Roberti, Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Craven, Dills, Greene, Hart, Hayden, Hill, Hughes, Hurtt, Johnston, Kelley, Killea, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Mello, Petris, Presley, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, Wright, and Wyman (Principal coauthor: Assembly Member Cortese)

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE—Continued

1993

Res. Ch.	Res. No.		Author
83	SJR	20	Kelley, Ayala, Calderon, Craven, Kopp, McCorquodale, Presley, Rogers, Thompson, and Wyman
84	ACR	33	Polanco
85	ACR	61	Umberg
86	ACR	65	Karnette
87	AJR	3	McDonald (Principal coauthor: Assembly Member Lee) (Coauthors: Assembly Members Archie-Hudson, Willie Brown, Moore, Murray, and Tucker) (Coauthors: Senators Hughes and Watson)
88	AJR	35	Katz (Principal coauthor: Senator Kopp) (Coauthors: Assembly Members Andal, Boland, Caldera, Cortese, Costa, Goldsmith, Karnette, Nolan, Richter, and Woodruff) (Coauthors: Senators Ayala, Beverly, Leonard, Lewis, McCorquodale, and Wright)
89	ACR	30	Moore
90	ACR	53	Karnette (Coauthors: Assembly Members Archie-Hudson, Bornstein, Bowen, Valerie Brown, Caldera, Cannella, Connolly, Cortese, Eastin, Terry Friedman, Gotch, Hauser, Horcher, Martinez, McDonald, Moore, Napolitano, O'Connell, Rainey, Snyder, Umberg, and Vasconcellos)
91	AJR	29	Honeycutt and Brulte (Coauthors: Senators Leonard and Rogers)
92	ACA	8	Hauser
93	SCA	4	Thompson (Coauthor: Assembly Member Areias)
94	SCR	19	Rogers and Russell (Coauthors: Assembly Members Honeycutt and Knight)
95	SCR	25	Hurtt
96	SCR	26	Lockyer
97	SCR	27	Ayala
98	SJR	18	Presley and Marks
99	SJR	21	Mello
100	SJR	25	Wyman, Ayala, Bergeson, Boatwright, Dills, Hill, Hughes, Hurtt, Kopp, Leonard, Lewis, Maddy, Morgan, Presley, and Rogers (Coauthors: Assembly Members Andal, Ferguson, Horcher, and Pringle)
101	SJR	27	Thompson, Ayala, Kopp, and Petris (Coauthors: Assembly Members Baca, Valerie Brown, Hannigan, and Lee)
102	ACR	9	Epple (Coauthors: Assembly Members Allen, Alpert, Andal, Areias, Baca, Boland, Bornstein, Bowen, Bowler, Valerie Brown, Willie Brown, Brulte, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Ferguson, Frazee, Terry Friedman, Goldsmith, Gotch, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Karnette, Katz, Klehs, Martinez, Moore, Murray, Napolitano, Nolan, O'Connell, Peace, Rainey, Richter, Seastrand, Solis, Speier, Statham, Tucker, Vasconcellos, and Woodruff) (Coauthors: Senators Beverly, Dills, Hill, Hughes, Kelley, Killea, Kopp, Leonard, Leslie, Morgan, Presley, Rosenthal, Russell, Thompson, Watson, and Wright)
103	ACR	56	Eastin
104	ACR	57	Eastin, Bornstein, Gotch, Hauser, Napolitano, Nolan, and Sher (Coauthors: Senators Killea and McCorquodale)
105	ACR	59	Eastin (Principal coauthor: Senator Lockyer)
106	ACR	66	Terry Friedman (Coauthors: Assembly Members Bowen, Bronshvag, Eastin, Gotch, and Seastrand) (Coauthor: Senator Rosenthal)
107	ACR	67	Margolin (Principal coauthors: Senators Petris and Roberti)
108	ACR	68	Alpert, Aguiar, Alby, Allen, Andal, Archie-Hudson, Areias, Baca, Boland, Bornstein, Bowen, Bronshvag, Valerie Brown, Willie Brown, Burton, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Epple, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Hoge, Honeycutt, Horcher, Isenberg, Jones, Karnette, Katz, Klehs, Lee, Margolin, Martinez, McDonald, Moore, Morrow, Mountjoy, Murray, Nolan, O'Connell, Peace, Polanco, Pringle, Quackenbush, Rainey, Seastrand, Sher, Snyder, Solis, Speier, Statham, Takasugi, Tucker, Umberg, Weggeland, and Woodruff (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Craven, Dills, Hart, Hayden, Hill, Hughes, Hurtt, Johnston, Kelley, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, and Wright)
109	ACR	69	Conroy, Andal, Bates, Boland, Bornstein, Caldera, Cannella, Connolly, Cortese, Costa, Epple, Ferguson, Harvey, Hauser, Hoge, Honeycutt, Horcher, Karnette, Knight, Nolan, O'Connell, Peace, Polanco, Pringle, Rainey, Richter, Seastrand, Snyder, Tucker, Woodruff, Aguiar, Allen, Alpert, Archie-Hudson, Baca, Bowen, Bronshvag, Valerie Brown, Willie Brown, Brulte, Burton, Bustamante, Eastin, Frazee, Gotch, Hannigan, Haynes, Isenberg, Jones, Katz, Klehs, Lee, Margolin, McDonald, Moore, Morrow, Mountjoy, Murray, Napolitano, Quackenbush, Sher, Solis, Speier, Statham, Takasugi, Umberg, Vasconcellos, and Weggeland (Coauthors: Senators Beverly, Calderon, Killea, Kopp, Lewis, Presley, Thompson, Watson, Wright, and Wyman)
110	ACR	71	Allen
111	ACR	72	Klehs (Coauthor: Senator Lockyer)
112	ACR	73	Hauser
113	ACR	74	Statham
114	AJR	1	Speier, Alpert, Areias, Bates, Valerie Brown, Willie Brown, Bornstein, Bowen, Burton, Bustamante, Caldera, Campbell, Cannella, Eastin, Epple, Terry Friedman, Gotch, Hannigan, Hauser, Isenberg, Karnette, Katz, Klehs, Lee, McDonald, Margolin, Martinez, Moore, Murray, O'Connell, Polanco, Sher, Umberg, and Vasconcellos (Coauthors: Senators Alquist, Calderon, Hayden, Hughes, Marks, McCorquodale, Petris, Rosenthal, Thompson, Torres, and Watson)
115	AJR	10	Bronshvag, Aguiar, Allen, Alpert, Andal, Archie-Hudson, Areias, Baca, Boland, Bornstein, Bowen, Bowler, Valerie Brown, Willie Brown, Brulte, Burton, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Escutia, Farr, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Jones, Karnette, Klehs, Knight, Knowles, Lee, Margolin, Martinez, McDonald, Moore, Morrow, Mountjoy, Murray, Napolitano, Nolan, O'Connell, Peace, Polanco, Pringle, Rainey, Richter, Seastrand, Sher, Snyder, Solis, Speier, Statham, Takasugi, Tucker,

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE—Continued

1993

Res. Ch.	Res. No.		Author
			Umberg, Vasconcellos, Weggeland, and Woodruff
116	AJR	38	Pringle and Rainey (Principal coauthor: Assembly Member Peace) (Coauthors: Assembly Members Andal, Bowen, Bowler, Cannella, Conroy, Costa, Epple, Ferguson, Goldsmith, Harvey, Haynes, Honeycutt, Jones, Knight, Nolan, Richter, Seastrand, Statham, Takasugi, Weggeland, and Woodruff) (Coauthors: Senators Ayala, Boatwright, Hurtt, Leslie, McCorquodale, Morgan, Russell, Torres, and Wyman)
117	AJR	47	Solis (Coauthor: Senator Torres)
118	AJR	50	Epple, Aguiar, Archie-Hudson, Areias, Baca, Bornstein, Bowen, Valerie Brown, Willie Brown, Burton, Caldera, Cannella, Connolly, Conroy, Cortese, Goldsmith, Gotch, Harvey, Haynes, Karnette, Klehs, Martinez, McDonald, Mountjoy, Murray, Nolan, O'Connell, Polanco, Pringle, Quackenbush, Rainey, Seastrand, Snyder, Speier, Takasugi, Tucker, Umberg, Weggeland, and Woodruff
119	ACR	46	Vasconcellos, Alpert, Areias, Bornstein, Caldera, Costa, Escutia, Farr, Isenberg, Lee, Moore, Polanco, and Umberg
120	AJR	36	Bornstein
121	AJR	48	Morrow and Conroy (Coauthors: Senators Bergeson, Craven, and Lewis)
122	AJR	53	Baca, Aguiar, and Brulte (Coauthors: Senators Ayala, Leonard, and Presley)
123	SJR	26	Presley, Killea, Lockyer, Torres, and Watson (Coauthors: Assembly Members Bornstein, Caldera, Cannella, Epple, Gotch, Hauser, Karnette, and Solis)

STATUTES OF CALIFORNIA

1993–94

REGULAR SESSION

1993 CHAPTERS

CHAPTER 1

An act to amend Section 11383 of the Health and Safety Code, relating to controlled substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 6, 1993. Filed with Secretary of State February 8, 1993.]

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

SECTION 1. Section 11383 of the Health and Safety Code is amended to read:

11383. (a) Any person who possesses both methylamine and phenyl-2-propanone (phenylacetone) at the same time with the intent to manufacture methamphetamine, or who possesses both ethylamine and phenyl-2-propanone (phenylacetone) at the same time with the intent to manufacture Nethylamphetamine, is guilty of a felony and shall be punished by imprisonment in the state prison for two, four, or six years.

(b) Any person who possesses at the same time any of the following combinations, or a combination product thereof, with intent to manufacture phencyclidine (PCP) or any of its analogs specified in paragraph (22) of subdivision (d) of Section 11054 or paragraph (3) of subdivision (e) of Section 11055 is guilty of a felony and shall be punished by imprisonment in the state prison for two, four, or six years:

(1) Piperidine and cyclohexanone.

(2) Pyrrolidine and cyclohexanone.

(3) Morpholine and cyclohexanone.

(c) Any person who, with intent to manufacture methamphetamine or any of its analogs specified in subdivision (d) of Section 11055, possesses ephedrine or pseudoephedrine, or any salts, isomers, or salts of isomers of ephedrine or pseudoephedrine, or who possesses a substance containing ephedrine or pseudoephedrine, or any salts, isomers, or salts of isomers of ephedrine or pseudoephedrine, or who possesses at the same time any of the following, or a combination product thereof, is guilty of a felony and shall be punished by imprisonment in the state prison for two, four, or six years:

(1) Ephedrine, pseudoephedrine, norpseudoephedrine, N-methylephedrine, N-ethylephedrine, N-methylpseudoephedrine, N-ethylpseudoephedrine, or phenylpropanolamine, plus hydriodic acid.

(2) Ephedrine, pseudoephedrine, norpseudoephedrine, N-methylephedrine, N-ethylephedrine, N-methylpseudoephedrine, N-ethylpseudoephedrine, or phenylpropanolamine, thionyl chloride and hydrogen gas.

(3) Ephedrine, pseudoephedrine, norpseudoephedrine,

N-methylephedrine, N-ethylephedrine, N-methylpseudoephedrine, N-ethylpseudoephedrine, or phenylpropanolamine, plus phosphorus pentachloride and hydrogen gas.

(4) Ephedrine, pseudoephedrine, norpseudoephedrine, N-methylephedrine, N-ethylephedrine, N-methylpseudoephedrine, N-ethylpseudoephedrine, chloroephedrine and chloropseudoephedrine, or phenylpropanolamine, plus any "reducing" agent.

(d) For purposes of this section, "reducing" means a chemical reaction in which hydrogen combines with another substance or in which oxygen is removed from a substance.

(e) For purposes of this section, possession of the optical, positional, or geometric isomer of any of the compounds listed in this section shall be deemed to be possession of the derivative substance.

(f) For purposes of this section, possession of immediate precursors sufficient for the manufacture of methylamine, ethylamine, phenyl-2-propanone, piperidine, cyclohexanone, pyrrolidine, morpholine, ephedrine, pseudoephedrine, norpseudophedrine, N-methylephedrine, N-ethylephedrine, phenylpropanolamine, hydriodic acid, thionyl chloride, or phosphorus pentachloride shall be deemed to be possession of such a derivative substance. Additionally, possession of any compound or mixture containing piperidine, cyclohexanone, pyrrolidine, or morpholine ephedrine, pseudoephedrine, norpseudoephedrine, N-methylephedrine, N-ethylephedrine, phenylpropanolamine, hydriodic acid, thionyl chloride, or phosphorus pentachloride shall be deemed to be possession of the substance.

(g) Subdivisions (a), (b), (c), (e), and (f) do not apply to drug manufacturers licensed by this state or person authorized by regulation of the Board of Pharmacy to possess those substances or combinations of substances.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

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

To enable law enforcement to more effectively restrict the manufacture of methamphetamine in this state as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 2

An act to amend Sections 26826, 26826.1, 77003, 77200, and 77205.3 of the Government Code, relating to the courts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 2, 1993. Filed with Secretary of State March 2, 1993.]

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

SECTION 1. Section 26826 of the Government Code is amended to read:

26826. (a) The total fee for filing the first paper in the action on behalf of any defendant, intervenor, respondent, or adverse party, whether separately or jointly, except for the purpose of making disclaimer shall be one hundred eighty-two dollars ($182).

(b) As used in this section the term "paper" does not include any of the following:

(1) A stipulation for the appointment of a temporary judge or of a court investigator, or the report made by the court investigator.

(2) The declaration of a spouse filed in an order to show cause proceeding.

(3) A marital settlement agreement which is signed by a defaulted respondent and intended for incorporation in a proposed decree of dissolution of marriage.

(4) A stipulation regarding the date of termination of the marital status when the court has retained jurisdiction over that date.

(5) A document relating to a stipulated postjudgment modification of child support.

(6) A stipulation to modify a marital settlement agreement which was signed by a defaulted respondent and incorporated in a decree of dissolution if the stipulation is presented by the petitioner.

SEC. 1.5. Section 26826.1 of the Government Code is amended to read:

26826.1. In addition to the total filing fee authorized pursuant to Section 26820.4, 26826, or 26827 or any other fee authorized by this code, after giving notice and holding a public hearing on the proposal, the Board of Supervisors of Riverside County may impose a surcharge not to exceed fifty dollars ($50) for the filing in superior court of (a) a complaint, petition, or other first paper in a civil or probate action or special proceeding, (b) a first paper on behalf of any defendant, respondent, intervenor, or adverse party, (c) a motion for change of venue from another court, (d) a petition for sole custody of a minor, (e) a first paper on behalf of any party in a proceeding under Section 98.2 of the Labor Code, or (f) any motion, order to show cause, or other proceeding seeking to modify or enforce any judgment or order. The surcharge shall be in an amount

determined to be necessary by the board of supervisors to cover the costs of the seismic stabilization, construction, and rehabilitation of the Riverside County Courthouse, and the Indio Branch Courthouse, and collection thereof shall terminate upon repayment of the amortized costs incurred.

SEC. 2. Section 77003 of the Government Code is amended to read:

77003. As used in this chapter, "court operations" means the county share of superior and municipal court judges' salaries, benefits, and public agency retirement contributions, and the salary, benefits, and public agency retirement contributions for justice court judges, subordinate judicial officers, other court staff including all municipal court staff positions specifically prescribed by statute, those deputy marshals, constables, and sheriffs as the court deems necessary for court operations, court-appointed counsel in juvenile court dependency proceedings, counsel appointed by the court to represent a minor pursuant to Chapter 10 (commencing with Section 3150) of Part 2 of Division 8 of the Family Code, services and supplies relating to court operations, collective bargaining under the Meyers-Milias-Brown Act with respect to court employees specified in Section 3501.5, and actual indirect costs, not to exceed 18 percent of the block grant, and other state trial court funding payments to counties for county general services attributable to court operations, but specifically excluding, but not limited to, law library operations conducted by a trust pursuant to statute; courthouse construction; district attorney services; probation services; indigent criminal defense; grand jury expenses and operations; and pretrial release services. However, in a county with a population of 350,000 or less as determined by the Department of Finance, to the extent that the block grant for a given fiscal year exceeds the 1987–88 funding level for the trial courts in that county, as adjusted by the current consumer price index, "court operations" includes probation services, indigent criminal defense, and pretrial release services. The salaries, benefits, and public agency retirement contributions to be used in computing "court operations" are those salaries, benefits, and public agency retirement contributions in existence on June 30, 1991, and any reclassification made thereafter primarily for purposes of granting a salary increase shall not be applicable for purposes of this section.

SEC. 3. Section 77200 of the Government Code is amended to read:

77200. (a) Beginning with the 1992–93 fiscal year, it is the intent of the Legislature to increase trial court funding by an amount sufficient to fund 55 percent of the annual costs for court operations. It is the intent of the Legislature that this funding shall increase to 60 percent for the 1993–94 fiscal year, to 65 percent for the 1994–95 fiscal year, and to 70 percent for the 1995–96 fiscal year.

(b) In any year in which the amounts provided pursuant to this section are reduced, a county may reduce total expenditures for

court operations by an amount up to, but not exceeding the total dollar amount of, the reduction to the county in state block grant funding.

(c) (1) Quarterly payments shall be transmitted by the Controller on or before the 25th day of that quarter, except that the quarterly apportionment shall be withheld from any county that is delinquent in making the full transfer of funds pursuant to Section 1463.001 of the Penal Code.

(2) Upon receipt of any delinquent payment, the Controller shall make the quarterly apportionment on or before the 25th day of the month following the month in which the delinquent payment was received from the county. The Controller shall calculate a penalty on any delinquent payment and that amount shall be deducted from the next quarterly apportionment. The penalty shall be calculated by multiplying the amount of the delinquent payment by the Pooled Money Investment Account rate at the end of the prior fiscal year.

(3) Before making any apportionments under this section, the Controller shall deduct, from the annual appropriation for that purpose, the estimated actual administrative costs that will be incurred under this section.

(4) Penalty amounts withheld under paragraph (2), up to the amount of administrative costs deducted from the annual appropriation pursuant to paragraph (3), shall be allocated to the counties in the same proportion as their annual allocations. The remainder of any such penalty amounts shall be deposited in the General Fund.

(d) (1) It is the intent of the Legislature that the state's share of funding for trial court operations shall be provided in block grants to the counties in the 1992–93 fiscal year only, and that thereafter it shall be included in the Budget Act as part of the judicial branch budget. Each option county shall receive, in the first six months of the 1992–93 fiscal year only, a portion of the amount appropriated in the Budget Act for trial court operations as indicated in paragraph (2) of this subdivision. The remainder of the amount appropriated in the Budget Act for trial court operations shall be allocated pursuant to paragraph (3).

(2) County	Amount
Alameda	$ 14,819,018
Alpine	145,706
Amador	273,006
Butte	1,167,689
Calaveras	296,524
Colusa	310,327
Contra Costa	6,757,669
Del Norte	332,311
El Dorado	1,221,370
Fresno	6,747,444
Glenn	330,777

Humboldt	1,143,149
Imperial	1,515,337
Inyo	435,583
Kern	6,464,213
Kings	986,196
Lake	535,276
Lassen	276,074
Los Angeles	94,431,493
Madera	900,307
Marin	2,305,726
Mariposa	204,499
Mendocino	974,438
Merced	1,629,346
Modoc	226,483
Mono	222,393
Monterey	3,781,186
Napa	1,089,468
Nevada	1,153,374
Orange	23,111,452
Placer	1,429,448
Plumas	209,611
Riverside	8,839,468
Sacramento	9,810,838
San Benito	273,517
San Bernardino	11,195,808
San Diego	20,356,339
San Francisco	8,705,521
San Joaquin	3,690,184
San Luis Obispo	1,865,542
San Mateo	5,237,730
Santa Barbara	3,779,652
Santa Clara	14,064,417
Santa Cruz	2,420,757
Shasta	1,610,941
Sierra	175,358
Siskiyou	660,532
Solano	3,027,607
Sonoma	3,564,417
Stanislaus	2,792,434
Sutter	738,753
Tehama	596,626
Trinity	199,387
Tulare	2,690,184
Tuolumne	474,949
Ventura	5,273,517
Yolo	1,611,963
Yuba	613,497
Total	$289,696,830

(3) Each option county shall further receive on January 25, 1993, the following amount:

County	Amount
Alameda	$ 7,187,000
Alpine	71,000
Amador	132,000
Butte	567,000
Calaveras	144,000
Colusa	151,000
Contra Costa	3,278,000
Del Norte	161,000
El Dorado	593,000
Fresno	3,273,000
Glenn	160,000
Humboldt	555,000
Imperial	735,000
Inyo	212,000
Kern	3,135,000
Kings	479,000
Lake	260,000
Lassen	134,000
Los Angeles	45,800,000
Madera	437,000
Marin	1,119,000
Mariposa	100,000
Mendocino	473,000
Merced	791,000
Modoc	110,000
Mono	108,000
Monterey	1,834,000
Napa	529,000
Nevada	560,000
Orange	11,210,000
Placer	694,000
Plumas	102,000
Riverside	4,288,000
Sacramento	4,759,000
San Benito	133,000
San Bernardino	5,430,000
San Diego	9,873,000
San Francisco	4,223,000
San Joaquin	1,790,000
San Luis Obispo	905,000
San Mateo	2,541,000
Santa Barbara	1,834,000
Santa Clara	6,822,000
Santa Cruz	1,174,000
Shasta	781,000

Sierra	85,000
Siskiyou	321,000
Solano	1,469,000
Sonoma	1,729,000
Stanislaus	1,355,000
Sutter	358,000
Tehama	290,000
Trinity	97,000
Tulare	1,305,000
Tuolumne	230,000
Ventura	2,558,000
Yolo	782,000
Yuba	298,000
Total	$140,504,000

(e) Funds accrued in the Trial Court Trust Fund during the 1992–93 fiscal year shall be allocated to each option county in the months of January, April, June, and August, 1993.

(1) The first one hundred forty million dollars ($140,000,000) in moneys allocated from the Trial Court Trust Fund shall be distributed in the following percentages to the following option counties:

County	Percentage Share of First $140 Million	Dollar Share of First $140 Million
Alameda	4.6742	6,543,871
Alpine	0.0472	66,023
Amador	0.0861	120,553
Butte	0.3789	530,475
Calaveras	0.0959	134,252
Colusa	0.1002	140,326
Contra Costa	2.1712	3,039,696
Del Norte	0.1074	150,368
El Dorado	0.3946	552,462
Fresno	2.1608	3,025,120
Glenn	0.1075	150,490
Humboldt	0.3699	517,918
Imperial	0.4891	684,784
Inyo	0.1400	195,957
Kern	2.0665	2,893,152
Kings	0.3052	427,330
Lake	0.1737	243,235
Lassen	0.0893	124,977
Los Angeles	33.3818	46,734,512
Madera	0.2922	409,072
Marin	0.7455	1,043,660
Mariposa	0.0659	92,294
Mendocino	0.3162	442,635

Merced	0.5255	735,737
Modoc	0.0731	102,337
Mono	0.0719	100,689
Monterey	1.2104	1,694,495
Napa	0.3526	493,630
Nevada	0.3725	521,438
Orange	8.5585	11,981,631
Placer	0.4625	647,533
Plumas	0.0678	94,942
Riverside	3.1853	4,459,429
Sacramento	4.1594	5,823,163
San Benito	0.0885	123,876
San Bernardino	3.5825	5,015,551
San Diego	7.1857	10,060,031
San Francisco	3.2177	4,504,772
San Joaquin	1.1995	1,679,350
San Luis Obispo	0.6036	845,109
San Mateo	2.1226	2,971,624
Santa Barbara	1.2059	1,688,252
Santa Clara	4.5019	6,302,642
Santa Cruz	0.7819	1,094,726
Shasta	0.5202	728,327
Sierra	0.0566	79,301
Siskiyou	0.2127	297,748
Solano	0.9664	1,352,982
Sonoma	1.1371	1,591,998
Stanislaus	0.8908	1,247,158
Sutter	0.2401	336,151
Tehama	0.1900	265,940
Trinity	0.0645	90,312
Tulare	0.8727	1,221,791
Tuolumne	0.1547	216,635
Ventura	1.6837	2,357,177
Yolo	0.5221	730,897
Yuba	0.1995	279,263

(2) All moneys in the trust fund in excess of one hundred forty million dollars ($140,000,000) shall be distributed in the following percentages to the following option counties:

County	Percentage Share After 140 Million
Alameda	4.9051
Alpine	0.0335
Amador	0.0776
Butte	0.3847
Calaveras	0.0640
Colusa	0.0515
Contra Costa	2.2785

Del Norte	0.0826
El Dorado	0.3771
Fresno	1.4806
Glenn	0.0816
Humboldt	0.3400
Imperial	0.3949
Inyo	0.0925
Kern	1.7519
Kings	0.2429
Lake	0.1483
Lassen	0.0714
Los Angeles	35.0306
Madera	0.2024
Marin	0.7350
Mariposa	0.0421
Mendocino	0.2850
Merced	0.3536
Modoc	0.0396
Mono	0.0463
Monterey	0.8531
Napa	0.2963
Nevada	0.2361
Orange	8.9812
Placer	0.4294
Plumas	0.0937
Riverside	3.3426
Sacramento	4.3648
San Benito	0.0691
San Bernardino	3.0247
San Diego	7.5407
San Francisco	3.3766
San Joaquin	1.2588
San Luis Obispo	0.6246
San Mateo	2.2274
Santa Barbara	1.2245
Santa Clara	4.3281
Santa Cruz	1.0644
Shasta	0.4299
Sierra	0.0416
Siskiyou	0.1162
Solano	0.8483
Sonoma	1.0685
Stanislaus	0.9348
Sutter	0.1916
Tehama	0.1521
Trinity	0.0793
Tulare	0.8448
Tuolumne	0.2248
Ventura	1.5669

Yolo	0.4273
Yuba	0.1445

(f) In no event shall the total of the quarterly payments to an option county exceed 100 percent of the annual expenditures for court operations of the county as determined by the Judicial Council and reported to the Controller. The Judicial Council shall submit to the Controller a report on the annual expenditures on or before December 1 following each fiscal year. The Controller shall deduct the amount in excess of 100 percent from the subsequent quarterly apportionment.

SEC. 4. Section 77205.3 of the Government Code is amended to read:

77205.3. Amounts due the state as provided in Article 2 (commencing with Section 68540) of Chapter 2 of Title 8 shall be transferred to the Judicial Council on a monthly basis from funds appropriated pursuant to Section 77200 or Section 68085 for the purpose of supporting the trial courts. The Judicial Council shall certify the monthly amount due, and the Controller shall transfer to the Judicial Council the amount certified. The amounts so transferred by the Controller shall be credited to the appropriation available to the Judicial Council for the assignment of judges, in augmentation of the Budget Act.

Any additional amounts owing by the state to an option county pursuant to Article 2 (commencing with Section 68540) of Chapter 2 of Title 8 shall be paid by the Judicial Council from the funds made available to the Judicial Council for the assignment of judges. The payments to counties shall coincide with the monthly transfer made by the Controller.

SEC. 5. There is hereby appropriated from the Trial Court Trust Fund to the Controller for allocation and disbursement pursuant to subdivision (e) of Section 77200 of the Government Code, all moneys accrued in the fund on or before June 30, 1993.

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

In order for the changes of this act to affect the 1992–93 fiscal year, it is necessary that this act go into effect immediately.

CHAPTER 3

An act to amend Section 2034 of the Code of Civil Procedure, relating to discovery, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1993. Filed with Secretary of State March 26, 1993.]

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

SECTION 1. Section 2034 of the Code of Civil Procedure is amended to read:

2034. (a) After the setting of the initial trial date for the action, any party may obtain discovery by demanding that all parties simultaneously exchange information concerning each other's expert trial witnesses to the following extent:

(1) Any party may demand a mutual and simultaneous exchange by all parties of a list containing the name and address of any natural person, including one who is a party, whose oral or deposition testimony in the form of an expert opinion any party expects to offer in evidence at the trial.

(2) If any expert designated by a party under paragraph (1) is a party or an employee of a party, or has been retained by a party for the purpose of forming and expressing an opinion in anticipation of the litigation or in preparation for the trial of the action, the designation of that witness shall include or be accompanied by an expert witness declaration under paragraph (2) of subdivision (f).

(3) Any party may also include a demand for the mutual and simultaneous production for inspection and copying of all discoverable reports and writings, if any, made by any expert described in paragraph (2) in the course of preparing that expert's opinion.

This section does not apply to exchanges of lists of experts and valuation data in eminent domain proceedings under Chapter 7 (commencing with Section 1258.010) of Title 7 of Part 3.

(b) Any party may make a demand for an exchange of information concerning expert trial witnesses without leave of court. A party shall make this demand no later than the 10th day after the initial trial date has been set, or 70 days before that trial date, whichever is closer to the trial date.

(c) A demand for an exchange of information concerning expert trial witnesses shall be in writing and shall identify, below the title of the case, the party making the demand. The demand shall state that it is being made under this section.

The demand shall specify the date for the exchange of lists of expert trial witnesses, expert witness declarations, and any demanded production of writings. The specified date of exchange shall be 50 days before the initial trial date, or 20 days after service

of the demand, whichever is closer to the trial date, unless the court, on motion and a showing of good cause, orders an earlier or later date of exchange.

(d) The party demanding an exchange of information concerning expert trial witnesses shall serve the demand on all parties who have appeared in the action.

(e) A party who has been served with a demand to exchange information concerning expert trial witnesses may promptly move for a protective order. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party from unwarranted annoyance, embarrassment, oppression, or undue burden and expense. The protective order may include, but is not limited to, one or more of the following directions:

(1) That the demand be quashed because it was not timely served.

(2) That the date of exchange be earlier or later than that specified in the demand.

(3) That the exchange be made only on specified terms and conditions.

(4) That the production and exchange of any reports and writings of experts be made at a different place or at a different time than specified in the demand.

(5) That some or all of the parties be divided into sides on the basis of their identity of interest in the issues in the action, and that the designation of any experts as described in paragraph (2) of subdivision (a) be made by any side so created.

(6) That a party or a side reduce the list of employed or retained experts designated by that party or side under paragraph (2) of subdivision (a).

If the motion for a protective order is denied in whole or in part, the court may order that the parties against whom the motion is brought, provide or permit the discovery against which the protection was sought on those terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(f) All parties who have appeared in the action shall exchange information concerning expert witnesses in writing on or before the date of exchange specified in the demand. The exchange of information may occur at a meeting of the attorneys for the parties involved or by a mailing on or before the date of exchange.

(1) The exchange of expert witness information shall include either of the following:

(A) A list setting forth the name and address of any person whose expert opinion that party expects to offer in evidence at the trial.

(B) A statement that the party does not presently intend to offer the testimony of any expert witness.

(2) If any witness on the list is an expert as described in paragraph (2) of subdivision (a), the exchange shall also include or be accompanied by an expert witness declaration signed only by the attorney for the party designating the expert, or by that party if that party has no attorney. This declaration shall be under penalty of perjury and shall contain:

(A) A brief narrative statement of the qualifications of each expert.

(B) A brief narrative statement of the general substance of the testimony that the expert is expected to give.

(C) A representation that the expert has agreed to testify at the trial.

(D) A representation that the expert will be sufficiently familiar with the pending action to submit to a meaningful oral deposition concerning the specific testimony, including any opinion and its basis, that the expert is expected to give at trial.

(E) A statement of the expert's hourly and daily fee for providing deposition testimony.

(g) If a demand for an exchange of information concerning expert trial witnesses includes a demand for production of reports and writings as described in paragraph (3) of subdivision (a), all parties shall produce and exchange, at the place and on the date specified in the demand, all discoverable reports and writings, if any, made by any designated expert described in paragraph (2) of subdivision (a).

(h) Within 20 days after the exchange described in subdivision (f), any party who engaged in the exchange may submit a supplemental expert witness list containing the name and address of any experts who will express an opinion on a subject to be covered by an expert designated by an adverse party to the exchange, if the party supplementing an expert witness list has not previously retained an expert to testify on that subject. This supplemental list shall be accompanied by an expert witness declaration under paragraph (2) of subdivision (f) concerning those additional experts, and by all discoverable reports and writings, if any, made by those additional experts. The party shall also make those experts available immediately for a deposition under subdivision (i), which deposition may be taken even though the time limit for discovery under Section 2024 has expired.

(i) On receipt of an expert witness list from a party, any other party may take the deposition of any person on the list. The procedures for taking oral and written depositions set forth in Sections 2025, 2026, 2027, and 2028 apply to a deposition of a listed trial expert witness except as follows:

(1) The deposition of any expert described in paragraph (2) of subdivision (a) shall be taken at a place that is within 75 miles of the courthouse where the action is pending. However, on motion for a protective order by the party designating an expert witness, and on

a showing of exceptional hardship, the court may order that the deposition be taken at a more distant place from the courthouse.

(2) A party desiring to depose any expert witness, other than a party or employee of a party, who is either (A) an expert described in paragraph (2) of subdivision (a) except one who is a party or an employee of a party, (B) a treating physician and surgeon or other treating health care practitioner who is to be asked to express an opinion during the deposition, or (C) an architect, professional engineer, or licensed land surveyor, who was involved with the original project design or survey for which he or she is asked to express an opinion within his or her expertise and relevant to the action or proceeding, shall pay the expert's reasonable and customary hourly or daily fee for any time spent at the deposition from the time noticed in the deposition subpoena or from the time of the arrival of the expert witness should that time be later than the time noticed in the deposition subpoena, until the time the expert witness is dismissed from the deposition, whether or not the expert is actually deposed by any party attending the deposition. If any counsel representing the expert or a nonnoticing party is late to the deposition, the expert's reasonable and customary hourly or daily fee for the time period determined from the time noticed in the deposition subpoena until the counsel's late arrival, shall be paid by that tardy counsel. However, the hourly or daily fee shall not exceed the fee charged the party who retained the expert except where the expert donated his or her services to a charitable or other nonprofit organization. In a worker's compensation case arising under Division 4 (commencing with Section 3201) or Division 4.5 (commencing with Section 6100) of the Labor Code, a party desiring to depose any expert on another party's expert witness list shall pay this fee.

The party taking the deposition shall either accompany the service of the deposition notice with a tender of the expert's fee based on the anticipated length of the deposition or tender that fee at the commencement of the deposition. The expert's fee shall be delivered to the attorney for the party designating the expert. If the deposition of the expert takes longer than anticipated, the party giving notice of the deposition shall pay the balance of the expert's fee within five days of receipt of an itemized statement from the expert. The party designating the expert is responsible for any fee charged by the expert for preparing for the deposition and for traveling to the place of the deposition, as well as for any travel expenses of the expert.

(3) The service of a proper deposition notice accompanied by the tender of the expert witness fee described in paragraph (2) is effective to require the party employing or retaining the expert to produce the expert for the deposition. If the party noticing the deposition fails to tender the expert's fee under paragraph (2), the expert shall not be deposed at that time unless the parties stipulate otherwise.

(4) If a party desiring to take the deposition of an expert witness under this subdivision deems that the hourly or daily fee of that

expert for providing deposition testimony is unreasonable, that party may move for an order setting the compensation of that expert. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. Notice of this motion shall also be given to the expert.

The court shall set the fee of the expert for providing deposition testimony if it determines that the fee demanded by that expert is unreasonable.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to set the expert witness fee, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(j) Except as provided in subdivisions (k), (*l*), and (m), on objection of any party who has made a complete and timely compliance with subdivision (f), the trial court shall exclude from evidence the expert opinion of any witness that is offered by any party who has unreasonably failed to do any of the following:

(1) List that witness as an expert under subdivision (f).

(2) Submit an expert witness declaration.

(3) Produce reports and writings of expert witnesses under subdivision (g).

(4) Make that expert available for a deposition under subdivision (i).

(k) On motion of any party who has engaged in a timely exchange of expert witness information, the court may grant leave to (1) augment that party's expert witness list and declaration by adding the name and address of any expert witness whom that party has subsequently retained, or (2) amend that party's expert witness declaration with respect to the general substance of the testimony that an expert previously designated is expected to give. This motion shall be made a sufficient time in advance of the time limit for the completion of discovery under Section 2024 to permit the deposition of any expert to whom the motion relates to be taken within that time limit. However, under exceptional circumstances, the court may permit the motion to be made at a later time. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion. The demand, and all expert witness lists and declarations exchanged in response to it, shall be lodged with the court when their contents become relevant to an issue in any pending matter in the action. The court shall grant leave to augment or amend an expert witness list or declaration only after taking into account the extent to which the opposing party has relied on the list of expert witnesses, and after determining that any party opposing the motion will not be prejudiced in maintaining that party's action or defense on the merits, and that the moving party either (1) would not in the exercise of reasonable diligence have determined to call

that expert witness or have decided to offer the different or additional testimony of that expert witness, or (2) failed to determine to call that expert witness, or to offer the different or additional testimony of that expert witness as a result of mistake, inadvertence, surprise, or excusable neglect, provided that the moving party (1) has sought leave to augment or amend promptly after deciding to call the expert witness or to offer the different or additional testimony, and (2) has promptly thereafter served a copy of the proposed expert witness information concerning the expert or the testimony described in subdivision (f) on all other parties who have appeared in the action. Leave shall be conditioned on the moving party making the expert available immediately for a deposition under subdivision (i), and on such other terms as may be just, including, but not limited to, leave to any party opposing the motion to designate additional expert witnesses or to elicit additional opinions from those previously designated, a continuance of the trial for a reasonable period of time, and the awarding of costs and litigation expenses to any party opposing the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to augment or amend expert witness information, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances made the imposition of the sanction unjust.

(*l*) On motion of any party who has failed to submit expert witness information on the date specified in a demand for that exchange, the court may grant leave to submit that information on a later date. This motion shall be made a sufficient time in advance of the time limit for the completion of discovery under Section 2024 to permit the deposition of any expert to whom the motion relates to be taken within that time limit. However, under exceptional circumstances, the court may permit the motion to be made at a later time. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court shall grant leave to submit tardy expert witness information only after taking into account the extent to which the opposing party has relied on the absence of a list of expert witnesses, and determining that any party opposing the motion will not be prejudiced in maintaining that party's action or defense on the merits, and that the moving party (1) failed to submit that information as the result of mistake, inadvertence, surprise, or excusable neglect, (2) sought that leave promptly after learning of the mistake, inadvertence, surprise, or excusable neglect, and (3) has promptly thereafter served a copy of the proposed expert witness information described in subdivision (f) on all other parties who have appeared in the action. This order shall be conditioned on the moving party making that expert available immediately for a deposition under subdivision (i), and on such other terms as may be

just, including, but not limited to, leave to any party opposing the motion to designate additional expert witnesses or to elicit additional opinions from those previously designated, a continuance of the trial for a reasonable period of time, and the awarding of costs and litigation expenses to any party opposing the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to submit tardy expert witness information, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(m) A party may call as a witness at trial an expert not previously designated by that party if: (1) that expert has been designated by another party and has thereafter been deposed under subdivision (i), or (2) that expert is called as a witness to impeach the testimony of an expert witness offered by any other party at the trial. This impeachment may include testimony to the falsity or nonexistence of any fact used as the foundation for any opinion by any other party's expert witness, but may not include testimony that contradicts the opinion.

(n) The demand for an exchange of information concerning expert trial witnesses, and any expert witness lists and declarations exchanged shall not be filed with the court. The party demanding the exchange shall retain both the original of the demand, with the original proof of service affixed, and the original of all expert witness lists and declarations exchanged in response to the demand until six months after final disposition of the action. At that time, all originals may be destroyed unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

SEC. 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 needed clarification of the law regarding the deposing of expert witnesses at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 4

An act to amend Sections 139.2, 3202.5, 4620, 4621, 4622, 4625, and 5705 of, to add Section 5307.6 to, and to repeal Sections 4623 and 4624 of, the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 3, 1993. Filed with Secretary of State April 3, 1993.]

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

SECTION 1. Section 139.2 of the Labor Code is amended to read:

139.2. (a) The Industrial Medical Council shall appoint qualified medical evaluators in each of the respective specialties as required for the evaluation of medical issues. The appointments shall be for four-year terms.

(b) The council shall appoint as qualified medical evaluators every physician, as defined in Section 3209.3, who is licensed to practice in this state and who meets both of the following requirements:

(1) Devotes at least 20 percent of total practice time to providing medical treatment, or has served as an agreed medical evaluator on eight or more occasions in the 12 months prior to applying to be a qualified medical evaluator.

(2) Meets one of the following requirements:

(A) Is board certified, or qualified for board certification, within a time period specified by the council, in his or her specialty by an appropriate board recognized by the council or, if a chiropractor, is certified in disability evaluation by an appropriate California professional chiropractic association or accredited California college recognized by the council, or, if a psychologist, meets one of the following requirements:

(i) Is board certified in clinical psychology by a board recognized by the council.

(ii) Holds a doctoral degree in psychology from a university or professional school recognized by the council and has not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders.

(iii) Has not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders, and has served as an agreed medical evaluator on eight or more occasions prior to January 1, 1990.

(B) Served as an agreed medical evaluator on eight or more occasions prior to January 1, 1970.

(c) The council shall promulgate standards for appointment of physicians who are retired or who hold teaching positions who are exceptionally well qualified to serve as a qualified medical evaluator even though they do not otherwise qualify under paragraph (1) of

subdivision (b). In no event shall a physician whose full-time practice is limited to the forensic evaluation of disability be appointed as a qualified medical evaluator under this subdivision.

(d) The evaluator, upon request, shall be reappointed if he or she meets the qualifications for appointment and meets all of the following criteria:

(1) Has completed formal medical evaluations within a reasonable time after assignment.

(2) Has not had more than 30 percent of his or her evaluations of unrepresented employees which were considered by a workers' compensation judge at a contested hearing rejected by the judge during the most recent four-year period during which the physician served as a qualified medical evaluator. If the judge does not rely on the qualified medical evaluator, the judge shall make a specific finding to that effect, and shall give notice to the evaluator.

(3) Has completed within the previous 24 months at least eight hours of continuing education in disability evaluation approved by the Industrial Medical Council.

(4) Has not been terminated under subdivision (e) or terminated or suspended under subdivision (k) during his or her most recent term as a qualified medical evaluator.

If the evaluator does not meet any of these criteria, the Industrial Medical Council may in its discretion reappoint or deny reappointment according to regulations promulgated by the council. In no event may a physician who has been terminated under subdivision (e) be reappointed.

(e) Except as provided in subdivision (k), the evaluator shall not be terminated during his or her term of office unless his or her licensing authority has suspended, revoked, or terminated his or her license to practice in California.

(f) The Industrial Medical Council shall furnish a physician, upon request, a written statement of its reasons for termination of or for denying appointment or reappointment as a qualified medical evaluator. Upon receipt of a specific response to the statement of reasons, the Industrial Medical Council shall review its decision not to appoint or reappoint the physician or to terminate the physician and shall notify the physician of its final decision within 60 days after receipt of the physician's response.

(g) The council shall establish agreements with qualified medical evaluators to assure the expeditious evaluation of cases assigned to them for formal medical evaluations.

(h) The medical director appointed pursuant to Section 122, shall assign three-member panels of qualified medical evaluators within five working days after receiving a request for a panel pursuant to Section 4061. If a panel is not assigned within 15 working days, the employee shall have the right to obtain a formal medical evaluation from any qualified medical evaluator of his or her choice. The medical director shall use a random selection method for assigning panels of qualified medical evaluators. The medical director shall

select evaluators who are specialists of the type selected by the employee. The medical director shall advise the employee that he or she should consult with his or her treating physician prior to deciding which type of specialist to request. The Industrial Medical Council shall promulgate a form which shall notify the employee of the physicians selected for his or her panel. The form shall include, for each physician on the panel, the physician's name, address, telephone number, specialty, number of years in practice, and a brief description of his or her education and training, and shall advise the employee that he or she is entitled to receive transportation expenses and temporary disability for each day necessary for the examination. The form shall also state in a clear and conspicuous location and type: "You have the right to consult with an attorney prior to selecting the doctor to prepare your evaluation. If your claim eventually goes to court, the judge will consider the evaluation prepared by the doctor you select to decide your claim." When compiling the list of evaluators from which to select randomly, the medical director shall include all qualified medical evaluators of the appropriate specialty type as recognized by an appropriate, recognized board within the general geographic area of the employee's residence, and shall have no authority to exclude qualified medical evaluators based on any other criteria. When the medical director determines that an employee has requested an evaluation by a type of specialist which is appropriate for the employee's injury, but there are not enough qualified medical evaluators of that type within the general geographic area of the employee's residence to establish a three-member panel, the medical director shall include sufficient qualified medical evaluators from other geographic areas and the employer shall pay all necessary travel costs incurred in the event the employee selects an evaluator from another geographic area.

(i) The medical director appointed pursuant to Section 122, shall continuously review the quality of formal medical evaluations and reports prepared by agreed and qualified medical evaluators and the timeliness with which evaluation reports are prepared and submitted. The review shall include, but not be limited to, a review of a random sample of reports submitted to the division, and a review of all reports alleged to be inaccurate or incomplete by a party to a case for which the evaluation was prepared. The medical director shall submit to the administrative director an annual report summarizing the results of the continuous review of medical evaluations and reports prepared by agreed and qualified medical evaluators and make recommendations for the improvement of the system of medical evaluations and determinations.

(j) After public hearing pursuant to Section 5307.4, the council shall promulgate rules and regulations concerning the following medical issues:

(1) Standards governing the timeframes within which formal medical evaluations shall be prepared and submitted by agreed and

qualified medical evaluators. The timeframe for initial formal medical evaluations to be prepared and submitted shall be no more than 45 days after the evaluator has seen the employee or otherwise commenced the formal medical evaluation procedure. The council shall develop a written policy governing the provision of extensions of the 45-day period in cases where the evaluator has not received test results or consulting physician's evaluations in time to meet the 45-day deadline. The council shall develop timeframes governing availability of qualified medical evaluators for unrepresented employees under Section 4061. These timeframes shall give the employee the right to the addition of a new evaluator to his or her panel, selected at random, for each evaluator not available to see the employee within a specified period of time, but shall also permit the employee to waive this right for a specified period of time thereafter.

(2) Procedures to be followed by all physicians in evaluating the existence and extent of permanent impairment and limitations resulting from an injury. In order to produce complete, accurate, uniform, and replicable evaluations, the procedures shall require that an evaluation of anatomic loss, functional loss, and the presence of physical complaints be supported, to the extent feasible, by medical findings based on standardized examinations and testing techniques generally accepted by the medical community.

(3) Procedures governing the determination of disputed medical issues specified in Sections 4061 and 4062.

(4) Procedures to be used in determining the compensability of psychiatric injury. The procedures shall be in accordance with Section 3208.3 and shall require that the diagnosis of a mental disorder be expressed using the terminology and criteria of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Third Edition-Revised, or the terminology and diagnostic criteria of other psychiatric diagnostic manuals generally approved and accepted nationally by practitioners in the field of psychiatric medicine.

(5) Guidelines for the range of time normally required to perform the following:

(A) A medical-legal evaluation that has not been defined and valued pursuant to Section 5307.6.

(B) Any treatment procedures that have not been defined and valued pursuant to Section 5307.1.

(C) Any other evaluation procedure requested by the administrative director, the Insurance Commissioner, or the council itself.

If, without good cause, the council fails to adopt the guidelines required by subparagraph (A) or (B) by March 31, 1993, or fails, without good cause, to adopt a guideline pursuant to subparagraph (C) within six months after a request by the administrative director or the Insurance Commissioner, then the administrative director shall have the authority to adopt the guideline.

(k) The Industrial Medical Council may, in its discretion, suspend

or terminate the privilege of a physician to serve as a qualified medical evaluator if the council, after hearing pursuant to subdivision (*l*), determines that a qualified medical evaluator:

(1) Has violated Section 139.3 or Section 4628.

(2) Has failed to follow the medical procedures established by the council pursuant to paragraph (2), (3), (4), or (5) of subdivision (j) in 10 or more formal medical evaluations during a 12-month period.

(3) Has failed to comply with the timeframe standards established by the council pursuant to subdivision (j) on 10 or more occasions during a 12-month period.

(4) Has failed to meet the requirements of subdivision (b) or (c).

(*l*) The council shall cite the qualified medical evaluator for a violation listed in subdivision (k) and shall set a hearing on the alleged violation within 30 days of service of the citation on the qualified medical evaluator. In addition to the authority to terminate or suspend the qualified medical evaluator upon finding a violation listed in subdivision (k), the council may, in its discretion, place a qualified medical evaluator on probation subject to appropriate conditions, including ordering continuing education or training. The council shall report to the appropriate licensing board the name of any qualified medical evaluator who is disciplined pursuant to this subdivision.

(m) Each qualified medical evaluator shall pay a fee, as determined by the Industrial Medical Council, for appointment or reappointment. Any qualified medical evaluator appointed prior to January 1, 1993, shall also pay the same fee as specified herein. These fees shall be based on a sliding scale as established by the council. All revenues from fees paid under this subdivision shall be deposited into the Industrial Medicine Fund, which is hereby created for the administration of the Industrial Medical Council. Moneys paid into the Industrial Medicine Fund for the activities of the Industrial Medical Council shall not be used by any other department or agency or for any purpose other than administration of the council. The funds provided to the council from the Industrial Medicine Fund shall not supplant any funds appropriated to the council from the Workers' Compensation Administration Revolving Fund, the General Fund, or any other governmental source. Any future annual appropriation to the council from the Workers' Compensation Administration Revolving Fund, the General Fund, or any other governmental source shall not be less than the amount appropriated or provided during the 1991–92 fiscal year.

SEC. 1.5. Section 3202.5 of the Labor Code is amended to read:

3202.5. Nothing contained in Section 3202 shall be construed as relieving a party or a lien claimant from meeting the evidentiary burden of proof by a preponderance of the evidence. "Preponderance of the evidence" means such evidence as, when weighed with that opposed to it, has more convincing force and the greater probability of truth. When weighing the evidence, the test is not the relative number of witnesses, but the relative convincing

force of the evidence.

SEC. 2. Section 4620 of the Labor Code is amended to read:

4620. (a) For purposes of this article, a medical-legal expense means any costs and expenses incurred by or on behalf of any party, the administrative director, the board, or a referee for X-rays, laboratory fees, other diagnostic tests, medical reports, medical records, medical testimony, and, as needed, interpreter's fees, for the purpose of proving or disproving a contested claim.

(b) A contested claim exists when the employer knows or reasonably should know that the employee is claiming entitlement to any benefit arising out of a claimed industrial injury and one of the following conditions exists:

(1) The employer rejects liability for a claimed benefit.

(2) The employer fails to accept liability for benefits after the expiration of a reasonable period of time within which to decide if it will contest the claim.

(3) The employer fails to respond to a demand for payment of benefits after the expiration of any time period fixed by statute for the payment of indemnity.

(c) Costs of medical evaluations, diagnostic tests, and interpreters incidental to the production of a medical report do not constitute medical-legal expenses unless the medical report is capable of proving or disproving a disputed medical fact, the determination of which is essential to an adjudication of the employee's claim for benefits. In determining whether a report meets the requirements of this subdivision, a judge shall give full consideration to the substance as well as the form of the report, as required by applicable statutes and regulations.

SEC. 3. Section 4621 of the Labor Code is amended to read:

4621. (a) In accordance with the rules of practice and procedure of the appeals board, the employee, or the dependents of a deceased employee, shall be reimbursed for his or her medical-legal expenses reasonably, actually, and necessarily incurred. The reasonableness of, and necessity for, incurring these expenses shall be determined with respect to the time when the expenses were actually incurred. Costs for medical evaluations, diagnostic tests, and interpreters' services incidental to the production of a medical report shall not be incurred earlier than the date of receipt by the employer, the employer's insurance carrier, or, if represented, the attorney of record, of all reports and documents required by the administrative director incidental to the services. This subdivision is not applicable unless there has been compliance with Section 4620.

(b) Where, at the request of the employer, the employer's insurance carrier, the administrative director, the appeals board, or a referee, the employee submits to examination by a physician, he or she shall be entitled to receive, in addition to all other benefits herein provided, all reasonable expenses of transportation, meals, and lodging incident to reporting for the examination to the same extent and manner as provided for in Section 4600.

SEC. 4. Section 4622 of the Labor Code is amended to read:

4622. All medical-legal expenses for which the employer is liable shall, upon receipt by the employer of all reports and documents required by the administrative director incident to the services, be paid to whom the funds and expenses are due, as follows:

(a) Except as provided in subdivision (b), within 60 days after receipt by the employer of each separate, written billing and report, and where payment is not made within this period, that portion of the billed sum then unreasonably unpaid shall be increased by 10 percent, together with interest thereon at the rate of 7 percent per annum retroactive to the date of receipt of the bill and report by the employer. Where the employer, within the 60-day period, contests the reasonableness and necessity for incurring the fees, services, and expenses, payment shall be made within 20 days of the filing of an order of the appeals board directing payment.

The penalty provided for in this subdivision shall not apply if (1) the employer pays the provider that portion of his or her charges which do not exceed the amount deemed reasonable pursuant to subdivision (c) of Section 4624 within 60 days of receipt of the report and itemized billing, and, (2) the appeals board sustains the employer's position in contesting the reasonableness or necessity for incurring the expenses. If the employer prevails before the appeals board, the referee shall order the physician to reimburse the employer for the amount of the paid charges found to be unreasonable.

(b) Where requested by the employee, or the dependents of a deceased employee, within 20 days from the filing of an order of the appeals board directing payment, and where payment is not made within that period, that portion of the billed sum then unpaid shall be increased by 10 percent, together with interest thereon at the rate of 7 percent per annum retroactive to the date of the filing of the order of the board directing payment.

(c) The employer shall notify, in writing, the provider of the services, the employee, or if represented, his or her attorney, if the employer contests the reasonableness or necessity of incurring these expenses, and shall indicate the reasons therefor.

The appeals board shall promulgate all necessary and reasonable rules and regulations to insure compliance with this section, and shall take such further steps as may be necessary to guarantee that the rules and regulations are enforced.

The provisions of Sections 5800 and 5814 shall not apply to this section.

(d) Nothing contained in this section shall be construed to create a rebuttable presumption of entitlement to payment of an expense upon receipt by the employer of the required reports and documents. This section is not applicable unless there has been compliance with Sections 4620 and 4621.

SEC. 5. Section 4623 of the Labor Code is repealed.

SEC. 6. Section 4624 of the Labor Code is repealed.

SEC. 7. Section 4625 of the Labor Code is amended to read:

4625. (a) Notwithstanding subdivision (d) of Section 4628, all charges for medical-legal expenses for which the employer is liable that are not in excess of those set forth in the official medical-legal fee schedule adopted pursuant to Section 5307.6 shall be paid promptly pursuant to Section 4622.

(b) If the employer contests the reasonableness of the charges it has paid, the employer may file a petition with the appeals board to obtain reimbursement of the charges from the physician that are considered to be unreasonable.

SEC. 8. Section 5307.6 is added to the Labor Code, to read:

5307.6. (a) The administrative director shall adopt and revise a fee schedule for medical-legal expenses as defined by Section 4620, which shall be prima facie evidence of the reasonableness of fees charged for medical-legal expenses, at the same time he or she adopts and revises the medical fee schedule pursuant to Section 5307.1.

The schedule shall consist of a series of procedure codes, relative values, and a conversion factor producing fees which provide remuneration to physicians performing medical-legal evaluations at a level equivalent to that provided to physicians for comparable work, and which additionally recognizes the relative complexity of various types of medical-legal evaluations, the amount of time spent by the physician in direct contact with the patient, and the need to prepare a written report.

(b) A provider shall not charge fees in excess of those set forth in the official medical-legal fee schedule unless the provider provides an itemization and explanation of the fee that shows that it is both a reasonable fee and that extraordinary circumstances justify a higher fee; provided, however, that in no event shall a provider charge in excess of his or her usual fee.

(c) In the event of a dispute between the provider and the employer or carrier concerning the fees charged, the provider may be allowed a reasonable fee for testimony if the provider testified pursuant to the employer's or carrier's subpoena and the judge or referee determines that the fee charged was reasonable and justified by extraordinary circumstances.

SEC. 9. Section 5705 of the Labor Code is amended to read:

5705. The burden of proof rests upon the party or lien claimant holding the affirmative of the issue. The following are affirmative defenses, and the burden of proof rests upon the employer to establish them:

(a) That an injured person claiming to be an employee was an independent contractor or otherwise excluded from the protection of this division where there is proof that the injured person was at the time of his or her injury actually performing service for the alleged employer.

(b) Intoxication of an employee causing his or her injury.

(c) Willful misconduct of an employee causing his or her injury.

(d) Aggravation of disability by unreasonable conduct of the

employee.

(e) Prejudice to the employer by failure of the employee to give notice, as required by Sections 5400 and 5401.

SEC. 10. The amendments made by Sections 2 to 4, inclusive, of this act are declaratory of existing law.

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:

To change the standard for adjusting the medical-legal fee schedule to stop a likely increase in fees due to the operation of the current schedule from taking place this year, and to effectuate savings in medical-legal costs, it is necessary for this act to take effect immediately.

CHAPTER 5

An act to amend Section 3423 of the Civil Code, relating to remedies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 3, 1993. Filed with Secretary of State April 3, 1993.]

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

SECTION 1. Section 3423 of the Civil Code is amended to read:

3423. An injunction cannot be granted:

(a) To stay a judicial proceeding pending at the commencement of the action in which the injunction is demanded, unless this restraint is necessary to prevent a multiplicity of proceedings.

(b) To stay proceedings in a court of the United States.

(c) To stay proceedings in another state upon a judgment of a court of that state.

(d) To prevent the execution of a public statute, by officers of the law, for the public benefit.

(e) To prevent the breach of a contract, other than a contract in writing for the rendition or furnishing of personal services from one to another where the minimum compensation for the service is at the rate of six thousand dollars ($6,000) per annum to and including December 31, 1993, and after that date the rate shall be fifty thousand dollars ($50,000) per annum, and where the promised service is of a special, unique, unusual, extraordinary, or intellectual character, which gives it peculiar value the loss of which cannot be reasonably or adequately compensated in damages in an action at law, the performance of which would not be specifically enforced. However, an injunction may be granted to prevent the breach of a contract entered into between any nonprofit cooperative corporation or

association and a member or stockholder thereof in respect to any provision regarding the sale or delivery to the corporation or association of the products produced or acquired by the member or stockholder.

(f) To prevent the exercise of a public or private office, in a lawful manner, by the person in possession.

(g) To prevent a legislative act by a municipal corporation.

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 rescind the changes made by Chapter 177 of the Statutes of 1992 until January 1, 1994, it is necessary that this act take effect immediately.

CHAPTER 6

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

[Approved by Governor April 3, 1993. Filed with Secretary of State April 3, 1993.]

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

SECTION 1. The sum of two million twenty thousand dollars ($2,020,000) is hereby appropriated from the General Fund in augmentation of Item 8450-001-001 of the Budget Act of 1992 for payment of the additional compensation of subsequent injuries provided for by Sections 4750 to 4755, inclusive, of the Labor Code.

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

The funds appropriated in the Budget Act of 1992 for the Subsequent Injuries Fund will be exhausted by March 1993, leaving recipients of workers' compensation indemnity through this fund without compensation and causing a severe hardship on these claimants. It is therefore necessary that this act take effect immediately.

CHAPTER 7

An act to amend Sections 12300 of, and to amend and repeal Section 14132.95 of, the Welfare and Institutions Code, relating to social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 3, 1993. Filed with Secretary of State April 3, 1993.]

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

SECTION 1. Section 12300 of the Welfare and Institutions Code is amended to read:

12300. (a) The purpose of this article is to provide in every county in a manner consistent with this chapter and the annual Budget Act those supportive services identified in this section to aged, blind, or disabled persons, as defined under this chapter, who are unable to perform the services themselves and who cannot safely remain in their homes or abodes of their own choosing unless these services are provided.

(b) Supportive services shall include domestic services and services related to domestic services, heavy cleaning, personal care services, accompaniment by a provider when needed during necessary travel to health-related appointments or to alternative resource sites, yard hazard abatement, protective supervision, teaching and demonstration directed at reducing the need for other supportive services, and paramedical services which make it possible for the recipient to establish and maintain an independent living arrangement.

(c) Personal care services shall mean all of the following:

(1) Assistance with ambulation.

(2) Bathing, oral hygiene, and grooming.

(3) Dressing.

(4) Care and assistance with prosthetic devices.

(5) Bowel, bladder, and menstrual care.

(6) Repositioning, skin care, range of motion exercises, and transfers.

(7) Feeding and assurance of adequate fluid intake.

(8) Respiration.

(9) Assistance with self-administration of medications.

(d) Where supportive services are provided by a person having the legal duty pursuant to the Civil Code to provide for the care of his or her child who is the recipient, the provider of supportive services shall receive remuneration for the services only when the provider leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of the provider to provide supportive services may result in inappropriate placement or

inadequate care.

These providers shall be paid only for the following:

(1) Services related to domestic services.

(2) Personal care services.

(3) Accompaniment by a provider when needed during necessary travel to health-related appointments or to alternative resource sites.

(4) Protective supervision only as needed because of the functional limitations of the child.

(5) Paramedical services.

(e) To encourage maximum voluntary services, so as to reduce governmental costs, respite care shall also be provided. Respite care is temporary or periodic service for eligible recipients to relieve persons who are providing care without compensation.

(f) A person who is eligible to receive a personal care service provided pursuant to Section 14132.95 shall not be eligible to receive that personal care service pursuant to this article.

(g) A service provided pursuant to this article shall be equal to the level of the same service provided pursuant to Section 14132.95, including any adjustments that may be made to that service pursuant to subdivision (e) of Section 14132.95.

SEC. 2. Section 14132.95 of the Welfare and Institutions Code is amended to read:

14132.95. (a) Personal care services, when provided to a categorically needy person as defined in Section 14050.1, is a covered benefit to the extent federal financial participation is available if these services are:

(1) Provided in the beneficiary's home and other locations as may be authorized by the director subject to federal approval.

(2) Prescribed in accordance with a plan of treatment.

(3) Provided by a qualified person under the supervision of a registered nurse.

(4) Provided to a beneficiary who has a chronic, disabling condition that causes functional impairment that is expected to last at least 12 consecutive months or that is expected to result in death within 12 months and who is unable to remain safely at home without the services described in this section.

(b) The department shall seek federal approval of a state plan amendment necessary to include personal care as a medicaid service pursuant to subdivision (f) of Section 440.170 of Title 42 of the Code of Federal Regulations.

(c) Subdivision (a) shall not be implemented unless the department has obtained federal approval of the state plan amendment described in subdivision (b), and the Department of Finance has determined, and has informed the department in writing, that the implementation of this section will not result in additional costs to the state relative to state appropriation for in-home supportive services under Article 7 (commencing with Section 12300) of Chapter 3, in the 1992–93 fiscal year.

(d) (1) For purposes of this section, personal care services shall

mean all of the following:

(A) Assistance with ambulation.

(B) Bathing, oral hygiene and grooming.

(C) Dressing.

(D) Care and assistance with prosthetic devices.

(E) Bowel, bladder, and menstrual care.

(F) Skin care.

(G) Repositioning, range of motion exercises, and transfers.

(H) Feeding and assurance of adequate fluid intake.

(I) Respiration.

(J) Paramedical services.

(K) Assistance with self-administration of medications.

(2) Ancillary services including meal preparation and cleanup, routine laundry, shopping for food and other necessities, and domestic services may also be provided as long as these ancillary services are subordinate to personal care services. Ancillary services may not be provided separately from the basic personal care services.

(e) (1) (A) After consulting with the State Department of Social Services, the department shall adopt emergency regulations to establish the amount, scope, and duration of personal care services available to persons described in subdivision (a) in the fiscal year whenever the department determines that General Fund expenditures for personal care services provided under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3, are expected to exceed the General Fund appropriation and the federal appropriation under Title XX of the federal Social Security Act provided for the 1992–93 fiscal year pursuant to Article 7 (commencing with Section 12300) of Chapter 3, as it read on June 30, 1992, as adjusted for caseload growth or as increased in the Budget Act or appropriated by statute. At least 30 days prior to filing these regulations with the Secretary of State, the department shall give notice of the expected content of these regulations to the fiscal committees of both houses of the Legislature.

(B) In establishing the amount, scope, and duration of personal care services, the department shall ensure that General Fund expenditures for personal care services provided for under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3, do not exceed the General Fund appropriation and the federal appropriation under Title XX of the federal Social Security Act provided for the 1992–93 fiscal year pursuant to Article 7 (commencing with Section 12300) of Chapter 3, as it read on June 30, 1992, as adjusted for caseload growth or as increased in the Budget Act or appropriated by statute.

(C) For purposes of this subdivision, "caseload growth" means an

adjustment factor determined by the department based on (1) growth in the number of persons eligible for benefits under Chapter 3 (commencing with Section 12000) on the basis of their disability, (2) the average increase in the number of hours in the program established pursuant to Article 7 (commencing with Section 12300) of Chapter 3 in the 1988–89 to 1992–93 fiscal years, inclusive, due to the level of impairment, and (3) any increase in program costs that is required by an increase in the mandatory minimum wage.

(2) In establishing the amount, scope, and duration of personal care services pursuant to this subdivision, the department may define and take into account, among other things:

(A) The extent to which the particular personal care services are essential or nonessential.

(B) Standards establishing the medical necessity of the services to be provided.

(C) Utilization controls.

(D) A minimum number of hours of personal care services that must first be assessed as needed as a condition of receiving personal care services pursuant to this section.

The level of personal care services shall be established so as to avoid, to the extent feasible within budgetary constraints, medical out-of-home placements.

(3) To the extent that General Fund expenditures for services provided under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 in the 1992–93 fiscal year, adjusted for caseload growth, exceed General Fund expenditures for services provided under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 in any fiscal year, the excess of these funds shall be expended for any purpose as directed in the Budget Act or as otherwise statutorily disbursed by the Legislature.

(f) Services pursuant to this section shall be rendered, under the administrative direction of the State Department of Social Services, in the manner authorized in Article 7 (commencing with Section 12300) of Chapter 3, for the In-Home Supportive Services program. A provider of personal care services shall be qualified to provide the service and shall be a person other than a member of the family. For purposes of this section, a family member means a parent of a minor child or a spouse.

(g) A beneficiary who is eligible for assistance under this section shall receive services that do not exceed 283 hours per month of personal care services.

(h) Personal care services shall not be provided to residents of facilities licensed by the department, and shall not be provided to residents of a community care facility or a residential care facility for the elderly licensed by the Community Care Licensing Division of

the State Department of Social Services.

(i) Subject to any limitations that may be imposed pursuant to subdivision (e), determination of need and authorization for services shall be performed in accordance with Article 7 (commencing with Section 12300) of Chapter 3.

(j) Reimbursement rates for personal care services shall be equal to the rates in each county for the same mode of services in the In-Home Supportive Services program pursuant to Article 7 (commencing with Section 12300) of Chapter 3, plus any increase provided in the annual Budget Act for personal care services rates.

(k) An individual who is eligible for services subject to the maximum amount specified in subdivision (b) of Section 12303.4 shall be given the option of hiring his or her own provider.

(*l*) 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.

(m) It is the intent of the Legislature that this entire section be an inseparable whole and that no part of it be severable. If any portion of this section is found to be invalid, as determined by a final judgment of a court of competent jurisdiction, this section shall become inoperative.

(n) This section shall become inoperative on July 1, 1996, and, as of January 1, 1997, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1997, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. (a) The State Department of Health Services and the State Department of Social Services may adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, to implement this act. The adoption of regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health or safety, or general welfare. Notwithstanding 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 and the State Department of Social Services in order to implement this act shall not be subject to the review and approval of the Office of Administrative Law.

(b) Notwithstanding subdivision (h) of Section 11364.1 and 11349.6 of the Government Code, the State Department of Health Services and the State Department of Social Services shall transmit these regulations directly to the Secretary of State for filing. These regulations shall become effective immediately upon filing with the Secretary of State.

(c) Except as provided in Section 10554 of the Welfare and Institutions Code, the Office of Administrative Law shall provide for the printing and publication of these regulations in the California Code of Regulations.

(d) Notwithstanding Chapter 3.5 (commencing with Section

11340) of Part 1 of Division 3 of Title 2 of the Government Code, these regulations shall not be repealed by the Office of Administrative Law and shall remain in effect until revised or repealed by the department adopting the regulations.

SEC. 4. 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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to 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 facilitate implementation of the Title XIX Personal Care program, and bridge the gap between the current In-Home Supportive Service Program and the Personal Care Option program and remaining in-home supportive services programs as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 8

An act to amend Sections 66602, 66606, 66901, 66904, 67143, 67380, 68052, 68076, 68077, 69513, 69612.5, 70011, 71092, 76064, 76221, 76222, 87615, 89006, 89009, 89011, 89034, 89230, 89705, 92612, 92620, 94020, 94021, 94362, 94380, and 94385 of, to amend and renumber Section 89033.1 of, to amend and renumber the heading of Chapter 15.5 (commencing with Section 67380) of Part 40 of, the heading of Chapter 9 (commencing with Section 92690) of Part 57 of, the heading of Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of, the heading of Article 6.6 (commencing with Section 69618) of Chapter 2 of Part 42 of, the heading of Article 6.7 (commencing with Section 69619) of Chapter 2 of Part 42 of, the heading of Article 4 (commencing with Section 71090) of Chapter 1 of Part 44 of, the heading of Article 6 (commencing with Section 72330) of Chapter 3 of Part 45 of, and the heading of Article 1.5 (commencing with Section 78210) of Chapter 2 of Part 48 of, to add Sections 72029 and 72205 to, and to add Chapter 2 (commencing with Section 76300) to Part 47 of, to repeal Sections 66907, 67381, 67382, 69506.6, 69619.3, 69702, 76300, 76330, 87356, 89010, 89033, and 92583 of, to repeal Article 2 (commencing with Section 66910) of Chapter 11 of Part 40 of, Article 2.5 (commencing with Section 66914) of Chapter 11 of Part 40 of, Article 3 (commencing with Section 66915) of Chapter 11 of Part 40 of, Article 2 (commencing with Section 72241) of Chapter 3 of Part 45 of, Article 2.5 (commencing with Section

89050) of Chapter 1 of Part 55 of, Article 3 (commencing with Section 89730) of Chapter 6 of Part 55 of, Chapter 9 (commencing with Section 85410) of Part 50 of, and Chapter 4 (commencing with Section 99170) of Part 65 of, and to repeal the heading of Chapter 15.6 (commencing with Section 67385) of Part 40 of, and the heading of Chapter 3.8 (commencing with Section 94385) of Part 59 of, the Education Code, and to amend Section 50330 of the Government Code, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1993. Filed with Secretary of State April 15, 1993.]

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

SECTION 1. Section 66602 of the Education Code is amended to read:

66602. (a) The board shall be composed of the following four ex officio members: the Governor, the Lieutenant Governor, the Superintendent of Public Instruction, and the person named by the trustees to serve as the Chancellor of the California State University; a representative of the alumni associations of the state university and colleges, selected for a two-year term by the alumni council, California State University, which representative shall not be an employee of the California State University during the two-year term; and 16 appointive members appointed by the Governor and subject to confirmation by two-thirds of the Senate.

(b) There shall also be appointed by the Governor for a two-year term, a student from a California state university or college who shall have at least a junior year standing at the institution he or she attends, and shall remain in good standing as a student for the two-year term. In the selection of a student as a member of the board, the Governor shall appoint the student from a list of names of not more than five persons furnished by student representatives of each of the universities and colleges of the California State University. The student representative of a university or college shall be the elected student body president or, in the case of a university or college not having an elected student body president, the person receiving the highest number of votes cast at a student body election held to select the student representative. Any appointment to fill a vacancy of a student member shall be effective only for the remainder of the term of the person's office that became vacated.

The term of office of the student member of the board shall commence on July 1 and expire on June 30 two years thereafter.

(c) The Speaker of the Assembly shall be an ex officio member, having equal rights and duties with nonlegislative members.

(d) There shall also be appointed by the Governor for a two-year term, a faculty member from the California State University who shall be tenured at the California state university or college at which

he or she teaches. In the selection of a faculty member as a member of the board, the Governor shall appoint the faculty member from a list of names of at least two persons furnished by the Academic Senate of the California State University.

The faculty member of the board appointed by the Governor pursuant to this subdivision shall not participate on any subcommittee of the board responsible for collective bargaining negotiations.

The term of office of the faculty member of the board shall commence on July 1 and expire on June 30 two years thereafter.

SEC. 1.5. Section 66606 of the Education Code is amended to read:

66606. The Trustees of the California State University shall succeed to the powers, duties, and functions with respect to the management, administration, and control of the state colleges heretofore vested in the State Board of Education or in the Director of Education, including all powers, duties, obligations, and functions specified in Article 2 (commencing with Section 90010) of Chapter 8 of Part 55, and all obligations assumed by the State Board of Education pursuant to that article prior to July 1, 1961.

On and after July 1, 1961, the Trustees of the California State University shall have full power and responsibility in the construction and development of any state university campus, and any buildings or other facilities or improvements connected with the California State University. The powers shall be exercised by the Trustees of the California State University notwithstanding Chapter 10 (commencing with Section 14950) of Part 5.5 of Division 3 of Title 2 of the Government Code and Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except that the powers shall be carried out pursuant to Chapter 2.5 (commencing with Section 10700) of Part 2 of Division 2 of the Public Contract Code known as the California State University Contract Law.

The Trustees of the California State University may accept gifts of land, or gifts of options on land, may accept and expend gifts of money for the purchase of land or options on land, and may enter into negotiations and contracts for the purchase of land for a future state university site in the vicinity of any of the areas specified in the recommendations contained in the Master Plan for Higher Education printed on page 42, paragraph 5, Senate Journal (Regular Session) for February 1, 1960, except that the gifts, expenditures, negotiations, and contracts shall not obligate the expenditure of any state funds for the purchase of the land or for development on the land, unless the Legislature subsequently approves the obligation by appropriating the funds for that specific purpose.

Any acceptance, acceptance and expenditure, or negotiations and contract may be conditioned upon an automatic reversion back to the donor or automatic termination of the negotiations and contract if a new state university is not established at a specific site prior to

a specific date designated by the trustees and the donor or the trustees and the person or corporation with whom the trustees are negotiating or contracting.

SEC. 2. Section 66901 of the Education Code is amended to read:

66901. There is hereby created the California Postsecondary Education Commission, which shall be advisory to the Governor, the Legislature, other appropriate governmental officials, and institutions of postsecondary education. The commission shall be composed of the following members:

(a) One representative of the Regents of the University of California designated by the regents, one representative of the Trustees of the California State University designated by the trustees, and one representative of the Board of Governors of the California Community Colleges designated by the board. Representatives of the regents, the trustees, and the board of governors shall be chosen from among the appointed members of their respective boards, but in no instance shall an ex officio member of a governing board serve on the commission.

(b) One representative of the independent California colleges and universities that are formed and operated as nonprofit corporations in this state and are accredited by a regional association that is recognized by the United States Department of Education. This member shall be appointed by the Governor from a list or lists submitted by an association or associations of those institutions.

(c) The chair or the designee of the chair of the Council for Private Postsecondary and Vocational Education.

(d) The President of the State Board of Education or his or her designee from among the other members of the board.

(e) Nine representatives of the general public appointed as follows: three by the Governor, three by the Senate Rules Committee, and three by the Speaker of the Assembly. It is the intent of the Legislature that the commission be broadly and equitably representative of the general public in the appointment of its public members and that the appointing authorities, therefore, shall confer to assure that their combined appointments include adequate representation on the basis of sex and on the basis of the significant racial, ethnic, and economic groups in the state.

(f) Two student representatives, each of whom shall be enrolled at a California postsecondary education institution at the time of appointment and during the term of service, except that a student member who graduates from an institution with no more than six months of his or her term remaining shall be permitted to serve for the remainder of the term. The Governor shall appoint the student members from persons nominated by the appropriate student organizations of each of the postsecondary education segments. For each student member of the commission, the appropriate student organization may submit a list of nominees. The list shall specify not less than three and not more than five nominees. The appropriate student organization for each segment shall be a composite group of

at least five representative student government associations, as determined by the commission.

(g) The student member appointed to the commission shall not be enrolled in the same segment as the outgoing student member or in the same segment of the other sitting student member.

(h) No person who is employed by any institution of public or private postsecondary education shall be appointed to or serve on the commission, except that a person who is not a permanent, full-time employee and who has part-time teaching duties that do not exceed six hours per week may be appointed to and serve on the commission.

The commission members designated in subdivisions (a), (c), and (d) shall serve at the pleasure of their respective appointing authorities. The member designated in subdivision (b) shall serve a three-year term. The members designated in subdivision (e) shall each serve a six-year term. The members designated in subdivision (f) shall each serve a two-year term. The respective appointing authority may appoint an alternate for each member who may, during the member's absence, serve on the commission and vote on matters before the commission. When vacancies occur prior to expiration of terms, the respective appointing authority may appoint a member for the remainder of the term.

Any person appointed pursuant to this section may be reappointed to serve additional terms.

All terms subsequent to the initial appointments, which became effective on January 10, 1974, shall begin on January 1 of the year in which the respective terms are to start.

Any person appointed pursuant to this section who no longer has the position that made him or her eligible for appointment may nonetheless complete his or her term of office on the commission.

No person appointed pursuant to this section shall, with respect to any matter before the commission, vote for or on behalf of, or in any way exercise the vote of, any other member of the commission.

The commission shall meet as often as it deems necessary to carry out its duties and responsibilities.

Any member of the commission who in any calendar year misses more than one-third of the meetings of the full commission forfeits his or her office, thereby creating a vacancy.

The commission shall select a chair from among the members representing the general public. The chair shall hold office for a term of one year and may be selected to successive terms.

There is established an advisory committee to the commission and the director, consisting of the chief executive officers of each of the public segments, or their designees, the Superintendent of Public Instruction or his or her designee, and an executive officer from each of the groups of institutions designated in subdivisions (b) and (c) to be designated by the respective commission representative from these groups. Commission meeting agenda items and associated documents shall be provided to the committee in a timely manner

for its consideration and comments.

The commission may appoint any subcommittees or advisory committees it deems necessary to advise the commission on matters of educational policy. The advisory committees may consist of commission members or nonmembers, or both, including students, faculty members, segmental representatives, governmental representatives, and representatives of the public.

The commission shall appoint and may remove a director in the manner hereafter specified. The director shall appoint persons to any staff positions the commission may authorize.

The commission shall prescribe rules for the transaction of its own affairs, subject, however, to all the following requirements and limitations:

(1) The votes of all representatives shall be recorded.

(2) Effective action shall require the affirmative vote of a majority of all the duly appointed members of the commission, not including vacant commission seats.

(3) The affirmative votes of two-thirds of all the duly appointed members of the commission, not including vacant commission seats, shall be necessary to the appointment of the director.

SEC. 3. Section 66904 of the Education Code is amended to read:

66904. It is the intent of the Legislature that sites for new institutions or branches of the University of California and the California State University, and the classes of off-campus centers as the commission shall determine, shall not be authorized or acquired unless recommended by the commission.

It is further the intent of the Legislature that California community colleges shall not receive state funds for acquisition of sites or construction of new institutions, branches, or off-campus centers unless recommended by the commission. Acquisition or construction of nonstate-funded community college institutions, branches, and off-campus centers, and proposals for acquisition or construction shall be reported to, and may be reviewed and commented upon by, the commission.

It is further the intent of the Legislature that existing or new institutions of public education, other than those described in subdivision (a) of Section 66010, shall not be authorized to offer instruction beyond the 14th grade level.

All proposals for new postsecondary educational programs shall be forwarded to the commission for review together with supporting materials and documents that the commission may specify. The commission shall review the proposals within a reasonable length of time, which time shall not exceed 60 days following submission of the program and the specified materials and documents. For the purposes of this section, "new postsecondary educational programs" means all proposals for new schools or colleges, all series of courses arranged in a scope or sequence leading to (1) a graduate or undergraduate degree, or (2) a certificate of a type defined by the commission, which have not appeared in a segment's or district's

academic plan within the previous two years, and all proposals for new research institutes or centers which have not appeared in a segment's or district's academic plan within the previous two years.

It is further the intent of the Legislature that the advice of the commission be utilized in reaching decisions on requests for funding new and continuing graduate and professional programs, enrollment levels, and capital outlay for existing and new campuses, colleges, and off-campus centers.

SEC. 4. Section 66907 of the Education Code is repealed.

SEC. 5. Article 2 (commencing with Section 66910) of Chapter 11 of Part 40 of the Education Code is repealed.

SEC. 6. Article 2.5 (commencing with Section 66914) of Chapter 11 of Part 40 of the Education Code is repealed.

SEC. 7. Article 3 (commencing with Section 66915) of Chapter 11 of Part 40 of the Education Code is repealed.

SEC. 8. Section 67143 of the Education Code is amended to read:

67143. (a) Except as provided in subdivision (b), a college or university is not authorized to permit access to student records to any person without the written consent of the student or under judicial order except that access may be permitted to the following:

(1) Officials and employees of the college or university, if that person has a legitimate educational interest to inspect a record.

(2) Authorized representatives of the Comptroller General of the United States, the Secretary of Education, an administrative head of an education agency, state education officials, or their respective designees, or the United States Office for Civil Rights, if that information is necessary to audit or evaluate a state or federally supported education program or pursuant to a federal or state law, except that when the collection of personally identifiable information is specifically authorized by federal law, any data collected by those officials shall be protected in a manner that will not permit the personal identification of students or their parents by other than those officials, and any personally identifiable data shall be destroyed when no longer needed for that audit, evaluation, and enforcement of federal legal requirements.

(3) Other state and local officials or authorities to the extent that information is specifically required to be reported pursuant to state law adopted prior to November 19, 1974.

(4) Officials of other public or private schools or school systems, including local, county, or state correctional facilities where educational programs are provided, where the student seeks or intends to enroll, or is directed to enroll, subject to the rights of students as provided in Section 67124.

(5) Agencies or organizations in connection with a student's application for, or receipt of, financial aid. However, information permitting the personal identification of students may be disclosed only as may be necessary for those purposes in order to determine the eligibility of the student for financial aid, the amount of the financial aid, or the conditions that will be imposed regarding the

financial aid, or to enforce the terms or conditions of the financial aid.

(6) Accrediting organizations in order to carry out their accrediting functions.

(7) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if those studies are conducted in a manner that will not permit the personal identification of students or their parents by persons other than representatives of those organizations and the information will be destroyed when no longer needed for the purpose for which it is conducted.

(8) Appropriate persons in connection with an emergency if the knowledge of that information is necessary to protect the health or safety of a student or other persons, or subject to any regulations issued by the Secretary of Education.

No person, persons, agency, or organization permitted access to student records pursuant to this section shall permit access to any information obtained from those records by any other person, persons, agency, or organization without the written consent of the student. However, this paragraph shall not require prior student consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, as long as those persons have a legitimate educational interest in the information.

(b) The alleged victim of any sexual assault or physical abuse, including rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat or assault, or any conduct that threatens the health and safety of the alleged victim, which is the basis of any disciplinary action taken by a college or university, shall be permitted access to that information. For the purposes of this subdivision, access to student record information shall be in the form of notice of the results of any disciplinary action by the college or university and the results of any appeal, which shall be provided to the alleged victim within three days following that disciplinary action or appeal. The alleged victim shall keep the results of that disciplinary action and appeal confidential.

SEC. 9. The heading of Chapter 15.5 (commencing with Section 67380) of Part 40 of the Education Code is amended and renumbered to read:

CHAPTER 16. STUDENT SAFETY

SEC. 10. Section 67380 of the Education Code is amended to read:

67380. (a) The governing board of each community college district, the Trustees of the California State University, the Board of Directors of the Hastings College of the Law, the Regents of the University of California, and the governing board of any postsecondary institution receiving public funds for student financial

assistance shall do all of the following:

(1) Require the appropriate officials at each campus within their respective jurisdictions to compile records of both of the following:

(A) All occurrences reported to campus police, campus security personnel, or campus safety authorities of, and arrests for, crimes that are committed on campus and that involve violence, hate violence, theft or destruction of property, illegal drugs, or alcohol intoxication.

(B) All occurrences of noncriminal acts of hate violence reported to, and for which a written report is prepared by, designated campus authorities.

(2) Require any written record of a noncriminal act of hate violence to include, but not be limited to, the following:

(A) A description of the act of hate violence.

(B) Victim characteristics.

(C) Offender characteristics, if known.

(3) Make the information concerning the crimes compiled pursuant to subparagraph (A) of paragraph (1) available within two business days following the request of any student or employee of, or applicant for admission to, any campus within their respective jurisdictions, or to the media, unless the information is the type of information exempt from disclosure pursuant to subdivision (f) of Section 6254 of the Government Code, in which case the information is not required to be disclosed. Notwithstanding paragraph (2) of subdivision (f) of Section 6254 of the Government Code, the name of a victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, 289, 422.6, 422.7, or 422.75 of the Penal Code shall not be disclosed without the permission of the victim, or the victim's parent or guardian if the victim is a minor.

For purposes of this paragraph and subparagraph (A) of paragraph (1), the campus police, campus security personnel, and campus safety authorities described in subparagraph (A) of paragraph (1) shall be included within the meaning of "state or local police agency" and "state and local law enforcement agency," as those terms are used in subdivision (f) of Section 6254 of the Government Code.

(4) Require the appropriate officials at each campus within their respective jurisdictions to prepare, prominently post, and copy for distribution on request a campus safety plan that sets forth all of the following: the availability and location of security personnel, methods for summoning assistance of security personnel, any special safeguards that have been established for particular facilities or activities, any actions taken in the preceding 18 months to increase safety, and any changes in safety precautions expected to be made during the next 24 months. For the purposes of this section, posting and distribution may be accomplished by including relevant safety information in a student handbook or brochure that is made generally available to students.

(5) Require the appropriate officials at each campus within their respective jurisdictions to report information compiled pursuant to paragraph (1) relating to hate violence to the governing board,

trustees, board of directors, or regents, as the case may be. The governing board, trustees, board of directors, or regents, as the case may be, shall, upon collection of that information from all of the campuses within their jurisdiction, transmit a report containing a compilation of that information to the California Postsecondary Education Commission no later than January 1 of each year, commencing January 1, 1993. The commission shall submit a report to the Legislature and the Governor on July 1, 1993, and every two years thereafter, on the type and number of incidents of hate violence occurring in institutions of public higher education in California. It is the intent of the Legislature that the governing board of each community college district, the Trustees of the California State University, the Board of Directors of the Hastings College of the Law, the Regents of the University of California, and the governing board of any postsecondary institution receiving public funds for student financial assistance establish guidelines for identifying and reporting occurrences of hate violence. It is the intent of the Legislature that the guidelines established by these institutions of higher education be as consistent with each other as possible. These guidelines shall be developed in consultation with the California Postsecondary Education Commission, the Department of Fair Employment and Housing, and the California Association of Human Rights Organizations. The report shall include, but not be limited to, the following:

(A) A comparison of incidents occurring in the year being reported to previous years for which there is hate violence data.

(B) To the extent possible, a comparison of incidents of hate violence occurring at community colleges, the California State University, the Hastings College of the Law, the University of California, and postsecondary institutions receiving funds for student financial assistance with incidents occurring at colleges and universities in other states and private universities in California.

(C) Findings and recommendations to the Legislature on the means of addressing hate violence at community colleges, the California State University, the Hastings College of the Law, the University of California, and postsecondary institutions receiving public funds for student financial assistance.

(b) Any person who is refused information required to be made available pursuant to subparagraph (A) of paragraph (1) of subdivision (a) may maintain a civil action for damages against any institution that refuses to provide the information, and the court shall award that person an amount not to exceed one thousand dollars ($1,000) if the court finds that the institution refused to provide the information.

(c) For purposes of this section, "hate violence" means any act of physical intimidation or physical harassment, physical force or physical violence, or the threat of physical force or physical violence, that is directed against any person or group of persons, or the property of any person or group of persons because of the ethnicity,

race, national origin, religion, sex, sexual orientation, disability, or political or religious beliefs of that person or group.

(d) This section does not apply to the governing board of any private postsecondary institution receiving funds for student financial assistance with a full-time enrollment of less than 1,000 students.

(e) This section shall apply to a campus of one of the public postsecondary educational systems identified in subdivision (a) only if that campus has a full-time equivalent enrollment of more than 1,000 students.

(f) Notwithstanding any other provision of this section, this section shall not apply to the California Community Colleges unless and until the Legislature makes funds available to the California Community Colleges for the purposes of this section.

SEC. 11. Section 67381 of the Education Code is repealed.

SEC. 12. Section 67382 of the Education Code is repealed.

SEC. 13. The heading of Chapter 15.6 (commencing with Section 67385) of Part 40 of the Education Code is repealed.

SEC. 14. Section 68052 of the Education Code is amended to read:

68052. (a) It is the intent of the Legislature that California's public institutions of higher education shall establish nonresident student tuition policies that are consistent with their resident student fee policies. Nonresident student tuition shall be determined by each of the public postsecondary segments through the adoption of a methodology that annually establishes the nonresident student tuition rate. It is further the intent of the Legislature that, while the public institutions are to be provided flexibility in establishing their nonresident tuition, under no circumstances shall the level of nonresident tuition plus required fees fall below the marginal cost of instruction for that segment.

(b) The following state policies regarding nonresident student tuition are hereby established:

(1) Unless otherwise prescribed by statute, an admission fee and rate of tuition fixed by each public postsecondary governing board shall be required of each nonresident student. Each public postsecondary education governing body shall develop its own methodology for establishing the nonresident tuition level and its annual adjustment level of nonresident student tuition, unless otherwise prescribed by statute.

(2) As California's public postsecondary education segments annually adjust the level of nonresident tuition they charge out-of-state students, the nonresident tuition methodologies they develop and use should take into consideration, at minimum, the following two factors:

(A) For the University of California and the California State University, the total nonresident charges imposed by each of their public comparison institutions, as identified by the California Postsecondary Education Commission.

(B) The full average cost of instruction of their segment.

(3) It is the intent of the Legislature that under no circumstances shall an institution's level of nonresident tuition plus required student fees fall below the marginal cost of instruction for that segment.

(4) The University of California, the California State University, the Hastings College of the Law, and the California Maritime Academy should endeavor to ensure that increases in the level of nonresident tuition are gradual, moderate, and predictable by providing nonresident students with a minimum of a 10-month notice of tuition increases.

(c) No provision of this section shall be applicable to the California Community Colleges.

(d) In the event that state revenues and expenditures are substantially imbalanced due to factors unforeseen by the Governor and the Legislature, including, but not limited to, initiative measures, natural disasters, or sudden deviations from expected economic trends, the nonresident student tuition at the University of California, the California State University, the Hastings College of the Law, and the California Maritime Academy, shall not be subject to this section.

SEC. 15. Section 68076 of the Education Code is amended to read:

68076. Notwithstanding Section 68062, a student who (a) has not been an adult resident of California for more than one year and (b) is either the dependent child of a California resident who has had residence in California for more than one year prior to the residence determination date, or has a parent who has both contributed court-ordered support for the student on a continuous basis and has been a California resident for a minimum of one year, shall be entitled to resident classification. This exception shall continue until the student has resided in the state the minimum time necessary to become a resident, so long as continuous attendance is maintained at an institution.

SEC. 16. Section 68077 of the Education Code is amended to read:

68077. Notwithstanding Section 68062, a student who is a graduate of any school located in California that is operated by the United States Bureau of Indian Affairs, including, but not limited to, the Sherman Indian High School, shall be entitled to resident classification. This exception shall continue so long as continuous attendance is maintained by the student at an institution.

SEC. 17. Section 69506.6 of the Education Code is repealed.

SEC. 18. Section 69513 of the Education Code is amended to read:

69513. The commission shall appoint a director who shall be the chief executive officer for the commission and who shall serve at the pleasure of the commission. The Legislature hereby requests the commission to designate that executive officer as the person holding the position confidential to it, within the meaning of subdivision (e) of Section 4 of Article VII of the Constitution.

The commission may employ other employees as it deems necessary to carry out its functions under this chapter.

SEC. 19. The heading of Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code is amended and renumbered to read:

Article 5. Assumption Program of Loans for Education

SEC. 20. Section 69612.5 of the Education Code is amended to read:

69612.5. It is the intent of the Legislature that, commencing with the 1985–86 school year, all persons eligible to receive conditional warrants for loan assumptions pursuant to this article shall be persons who need to complete training or coursework in order to be fully credentialed to teach in a designated subject matter shortage area, or in schools serving a large population of students from low-income families.

SEC. 21. The heading of Article 6.6 (commencing with Section 69618) of Chapter 2 of Part 42 of the Education Code is amended and renumbered to read:

Article 6. Engineering and Computer Science Doctoral Assistance Program

SEC. 22. The heading of Article 6.7 (commencing with Section 69619) of Chapter 2 of Part 42 of the Education Code is amended and renumbered to read:

Article 6.5. California School Paraprofessional Teacher Training Program

SEC. 23. Section 69619.3 of the Education Code is repealed.

SEC. 24. Section 69702 of the Education Code is repealed.

SEC. 25. Section 70011 of the Education Code is amended to read:

70011. The term of office of the members of the board is four years, and they shall hold office until the appointment and qualification of their successors. Vacancies shall be filled by appointment for the unexpired term.

SEC. 26. The heading of Article 4 (commencing with Section 71090) of Chapter 1 of Part 44 of the Education Code is amended and renumbered to read:

Article 3. Office of Chancellor

SEC. 26.5. Section 71092 of the Education Code is amended to read:

71092. The board of governors shall employ and fix the compensation, in accordance with law, of assistants, clerical, and other employees as it deems necessary for the effective conduct of the work of the board and the chancellor's office.

SEC. 27. Section 72029 is added to the Education Code, to read:

72029. The governing board of a community college district may by resolution limit campaign expenditures or contributions in elections to district offices.

SEC. 28. Section 72205 is added to the Education Code, to read:

72205. The approval of any state agency shall not be a prerequisite to acceptance by the governing board of any community college district of a gift, donation, bequest, or devise. No real or personal property, including money, accepted by a governing board pursuant to this section shall be considered in determining the eligibility of the district for an apportionment from the State School Fund nor in determining the amount thereof.

SEC. 29. Article 2 (commencing with Section 72241) of Chapter 3 of Part 45 of the Education Code is repealed.

SEC. 30. The heading of Article 6 (commencing with Section 72330) of Chapter 3 of Part 45 of the Education Code is amended and renumbered to read:

Article 2. College Police

SEC. 31. Section 76064 of the Education Code is amended to read:

76064. In addition to deposit or investment pursuant to Section 76063, the funds of a student body organization may be loaned or invested in any of the following ways:

(a) Loans, with or without interest, to any student body organization established in another community college of the district for a period not to exceed three years.

(b) Invest money in permanent improvements to any community college district property including, but not limited to, buildings, automobile parking facilities, gymnasiums, swimming pools, stadia and playing fields, where those facilities, or portions thereof, are used for conducting student extracurricular activities or student spectator sports, or when those improvements are for the benefit of the student body. The investment shall be made on condition that the principal amount of the investment plus a reasonable amount of interest thereon shall be returned to the student body organization as provided herein. Any community college district approving the investment shall establish a fund in accordance with the California Community Colleges Budget and Accounting Manual in which moneys derived from the rental of community college district property to student body organizations shall be deposited. Moneys collected by the governing board for automobile parking facilities as authorized by Section 76360 shall be deposited in the fund designated by the California Community Colleges Budget and Accounting Manual if the parking facilities were provided for by investment of student body funds under this section. Moneys shall be returned to the student body organization as contemplated by this section exclusively from the special fund and only to the extent that there are moneys in the special fund. Whenever there are no outstanding obligations against the special fund, all moneys therein may be

transferred to the general fund of the school district by action of the local governing board.

Two or more student body organizations of the same community college district may join together in making the investments in the same manner as is authorized herein for a single student body. Nothing herein shall be construed so as to limit the discretion of the local governing board in charging rental for use of community college district property by student body organizations as provided in Section 76060.

SEC. 32. Section 76221 of the Education Code is amended to read:

76221. Community college districts shall notify students in writing of their rights under this chapter upon the date of the student's enrollment and at least annually thereafter. The notice shall take a form that reasonably notifies students of the availability of the following specific information:

(a) The types of student records and information contained therein that are directly related to students and maintained by the institution.

(b) The official responsible for the maintenance of each type of record.

(c) The location of the log or record required to be maintained pursuant to Section 76222.

(d) The criteria to be used by the institution in defining "officials and employees" and in determining "legitimate educational interest" as used in Section 76222 and subdivision (a) of Section 76243.

(e) The policies of the institution for reviewing and expunging those records.

(f) The right of the student to have access to his or her records.

(g) The procedures for challenging the content of student records.

(h) The cost if any that will be charged for reproducing copies of records.

(i) The categories of information that the institution has designated as directory information pursuant to Section 76240.

(j) Any other rights and requirements set forth in this chapter and the right of the student to file a complaint with the United States Department of Education concerning an alleged failure by the institution to comply with Section 438 of the General Education Provisions Act (20 U.S.C.A. 1232g).

SEC. 33. Section 76222 of the Education Code is amended to read:

76222. A log or record shall be maintained for each student's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefor. The listing need not include any of the following:

(a) Students to whom access is granted pursuant to Section 76230.

(b) Parties to whom directory information is released pursuant to Section 76240.

(c) Parties for whom written consent has been executed by the

student pursuant to Section 76242.

(d) Officials or employees having a legitimate educational interest pursuant to subdivision (a) of Section 76243.

The log or record shall be open to inspection only by the student and the community college official or his or her designee responsible for the maintenance of student records, and to the Comptroller General of the United States, the Secretary of Education, an administrative head of an education agency as defined in Public Law 93-380, and state educational authorities as a means of auditing the operation of the system.

SEC. 34. Chapter 2 (commencing with Section 76300) is added to Part 47 of the Education Code, to read:

CHAPTER 2. FEES

Article 1. Enrollment Fees and Financial Aid

76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) The fee prescribed by this section shall be ten dollars ($10) per unit per semester.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts, 98 percent of the revenues received by districts from charging a fee pursuant to this section or from fees defrayed pursuant to subdivisions (g) and (h) shall be deemed to be local property tax revenue within the meaning of subdivision (b) of Section 84700.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84711.

(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be defrayed pursuant to Section 72252.1 for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program.

(h) The fee requirements of this section shall be defrayed pursuant to Section 72252.1 for any student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, means a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) Student financial aid funds appropriated for the purpose of assisting students to pay the fee required by this section may be awarded without regard to the requirements of Chapter 2 (commencing with Section 69500) of Part 42.

(j) The board of governors shall adopt regulations implementing this section.

(k) This section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1995, deletes or extends that date.

76310. (a) It is the intent of the Legislature to provide adequate funding for the purpose of providing financial aid funds directly to low-income students who cannot pay the fees specified in subdivision (b) of Section 76300, and for the purpose of defraying fees pursuant to subdivisions (g) and (h) of Section 76300.

(b) It is the intent of the Legislature that all funds provided pursuant to subdivision (a) be allocated to community college districts. In prescribing the manner of allocation, the board shall endeavor to ensure that students with similar characteristics are treated similarly with respect to the provision of financial aid pursuant to this section, regardless of the community college they attend.

In allocating funds pursuant to this section, the board shall consider the number of students eligible for assistance in the prior academic year and other factors that may have bearing on the amount of these funds required by each community college district.

The board may allocate up to 7 percent of the total amount of funds provided pursuant to subdivision (a) to community college districts for delivery of student financial aid services required as a result of this section. Funds so allocated to a district for delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1983–84 fiscal year, adjusted annually in

accordance with the cost-of-living adjustment to the general apportionments.

The board shall be provided adequate resources through the annual Budget Act to support state administration of this financial aid program.

(c) Financial aid shall be provided pursuant to this section only to those students required to pay the fee specified in subdivision (b) of Section 76300, and only in an amount equal to the fee actually charged the student pursuant to those sections. In addition, the chancellor shall pay districts the amount of fees defrayed pursuant to subdivisions (g) and (h) of Section 76300.

(d) Districts that receive an allocation of funds pursuant to this section shall administer and award the funds in accordance with regulations adopted by the board of governors.

(e) If the amount of funds provided pursuant to subdivision (a) exceeds the need for financial aid to students who cannot afford to pay the fee charged pursuant to subdivision (b) of Section 76300, the excess shall revert to the General Fund.

(f) If the amount needed for financial aid to students who cannot afford the fee charged pursuant to subdivision (b) of Section 76300 and to pay districts for the total amount of fees defrayed pursuant to subdivisions (g) and (h) of Section 76300 is greater than the amount of funds provided pursuant to subdivision (a), the chancellor shall certify to the Department of Finance the amount of the additional funds that are required. Upon receipt of this certification, the Director of Finance shall take any administrative action available to him or her to transfer the additional funds, pursuant to the Budget Act or as otherwise provided by the Legislature.

76320. The fee requirements of Section 76300 shall be defrayed pursuant to Section 19 of Chapter 1 of the 1983–84 Second Extraordinary Session for any student who, at the time of enrollment, is a child or dependent of a veteran, as specified in subdivision (a), (b), or (c) of Section 32320.

76330. (a) The governing board of each community college district shall charge a fee of fifty dollars ($50) per semester unit, or the quarter unit equivalent, to each student who previously has been awarded a baccalaureate or graduate degree from any public or private postsecondary educational institution.

(b) The governing board shall exempt from subdivision (a), and charge the fees specified in Section 72252 to, a student who is any of the following:

(1) A dislocated worker, as certified by a state agency in accordance with Subchapter III of the federal Job Training Partnership Act (29 U.S.C. Sec. 1651 et seq.).

(2) A displaced homemaker, as defined in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.).

(3) A recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security

Income/State Supplementary Program, or a general assistance program.

(c) Nonresident students who pay nonresident tuition shall be exempt from subdivision (a).

(d) The governing board of a community college district may require each student who is eligible for an exemption from subdivision (a) to file a written oath or affirmation that he or she is eligible for the exemption at the time of enrollment.

(e) It is the intent of the Legislature that governing boards conduct selective audits of any oath or affirmation filed by students pursuant to subdivision (d).

(f) It is the further intent of the Legislature that students who have not previously been awarded a baccalaureate or graduate degree be given priority for enrollment.

(g) (1) This section shall be operative beginning with the first regular academic semester, quarter, or term commencing after January 1, 1993.

(2) Notwithstanding subdivision (c) of Section 84750, decreases in the 1992–93 fiscal year in credit full-time equivalent students (FTES) resulting from the implementation of this section shall not result in any reduction in revenue for the 1993–94 fiscal year. Decreases in FTES in the 1992–93 fiscal year shall result in a revenue reduction over the three-year period beginning with the 1994–95 fiscal year, except that community college districts shall be entitled to restore any reductions in apportionment revenue if there is a subsequent increase in FTES.

(3) The board of governors shall report to the Legislature on or before January 1, 1994, on the implementation and impact of this section.

(h) This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

Article 2. Authorized Fees

76350. Except as provided in Section 3074.7 of the Labor Code, no charges or fees shall be required to be paid by a resident or nonresident apprentice, or by his or her parent or guardian, for admission or attendance in any course of activity that is offered pursuant to Section 3074 of the Labor Code in accordance with the instructional hours requirements specified in subdivision (d) of Section 3078 of the Labor Code.

76355. (a) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than ten dollars ($10) for each semester, seven dollars ($7) for summer school, or seven dollars ($7) for each quarter for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, or both.

Commencing with the semester or quarter that begins after January 1, 1993, the governing board of each community college district may increase this fee by the same percentage increase as the Implicit Price Deflator for State and Local Government Purchase of Goods and Services. Whenever that calculation produces an increase of one dollar ($1) above the existing fee, the fee may be increased by one dollar ($1).

(b) If pursuant to this section a fee is required, the governing board of the district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board may decide whether the fee shall be mandatory or optional.

(c) The governing board of a district maintaining a community college shall adopt rules and regulations that exempt the following students from any fee required pursuant to subdivision (a):

(1) Students who depend exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination, or organization.

(2) Students who are attending a community college under an approved apprenticeship training program.

(3) Low-income students, including those students receiving financial aid pursuant to Section 72252.1.

(d) All fees collected pursuant to this section shall be deposited in the fund of the district designated by the California Community Colleges Budget and Accounting Manual. These fees shall be expended only to provide health services as specified in regulations adopted by the board of governors.

Authorized expenditures shall not include, among other things, athletic trainers' salaries, athletic insurance, medical supplies for athletics, physical examinations for intercollegiate athletics, ambulance services and the salaries of health professionals for athletic events, any deductible portion of accident claims filed for athletic team members, or any other expense that is not available to all students. No student shall be denied a service supported by student health fees on account of participation in athletic programs.

(e) Any community college district that provided health services in the 1986–87 fiscal year shall maintain health services, at the level provided during the 1986–87 fiscal year, in the 1987–88 fiscal year, and each fiscal year thereafter. If the cost to maintain that level of service exceeds the limits specified in subdivision (a), the excess cost shall be borne by the district.

(f) A district that begins charging a health fee during the 1992–93 fiscal year, or any fiscal year thereafter, may use funds for startup costs from other district funds and recover all or part of those funds from health fees collected within the first five years following the commencement of charging the fee.

(g) The board of governors shall adopt regulations that generally describe the types of health services included in the health service program.

76360. (a) The governing board of a community college district

may require students in attendance and employees of the district to pay a fee, in an amount not to exceed forty dollars ($40) per semester and twenty dollars ($20) per intersession to be fixed by the board, for parking services.

To encourage ridesharing and carpooling, for a student who certifies, in accordance with procedures fixed by the board, that he or she regularly has two or more passengers commuting to the community college with him or her in the vehicle parked at the community college, the fee shall not exceed thirty dollars ($30) per semester and ten dollars ($10) per intersession.

The fee shall only be required of students and employees using parking services. Students who receive financial assistance pursuant to any of the programs described in subdivision (g) of Section 76300 shall be exempt from parking fees in excess of twenty dollars ($20) per semester.

(b) The governing board of a community college district may also require the payment of a fee, to be fixed by the governing board, for the use of parking services by persons other than students and employees.

(c) All parking fees collected shall be deposited in the designated fund of the district in accordance with the California Community Colleges Budget and Accounting Manual and shall be expended only for parking services or for purposes of reducing the costs to students and employees of the college of using public transportation to and from the college.

Fees collected for use of parking services provided for by investment of student body funds under the authority of Section 76064 shall be deposited in a designated fund in accordance with the California Community Colleges Budget and Accounting Manual for repayment to the student organization.

"Parking services," as used in this section, means the purchase, construction, and operation and maintenance of parking facilities for vehicles and motor vehicles as defined by Sections 415 and 670 of the Vehicle Code, and the reduction of costs to students and employees of using public transportation to and from the college.

The fee required pursuant to this section shall not exceed the actual cost of providing parking services.

(d) The governing board of a community college district may require students in attendance and employees at a campus of the district to pay a fee for purposes of reducing fares for services provided by common carriers or municipally owned transit systems to these students and employees, as provided in subdivision (e).

(e) Fees authorized by subdivision (d) for transportation services may be required only of students and employees using the services, or, in the alternative, of either of the following groups of people:

(1) Upon the favorable vote of a majority of the students and a majority of the employees of a campus of the district, voting at an election on the question of whether or not the governing board should require all students and employees at the campus to be

assessed fees for transportation services for a two-year period, the fees may be required of all students and all employees of a campus of the community college district.

(2) Upon the favorable vote of a majority of the students at a campus of the district voting at an election on the question of whether or not the governing board should require all students to be assessed fees for transportation services for a two-year period, the fees may be required of all students at the campus of the community college district. However, the employees shall not be entitled to use the services.

(f) If fees are required to be assessed to all students and employees or all students as provided in paragraphs (1) and (2) of subdivision (e) for a two-year period, those fees may be continued for additional two-year periods by the governing board maintaining the campus, upon the favorable vote of a majority of the students and a majority of the employees or, in the case of paragraph (2) of subdivision (e), upon the favorable vote of a majority of the students of the campus, voting in an election on the question of whether or not the required fees should be continued.

(g) If, pursuant to this section, a fee is required of students for transportation services, any fee required of a part-time student shall be a pro rata lesser amount than the fee charged to full-time students, depending on the number of units for which the part-time student is enrolled. In addition, a governing board maintaining transportation services shall adopt rules and regulations governing the exemption of low-income students from required fees, and may adopt rules and regulations that provide for the exemption of others.

(h) The total fees to be fixed by the governing board of a community college district pursuant to this section shall not exceed the amount prescribed in this section.

(i) No community college district shall increase its parking fees above forty dollars ($40) per year to an amount within an authorized level pursuant to this section until the board of trustees of the community college district has made sufficient findings that a fee increase is necessary. The findings shall be based, at a minimum, on all of the following:

(1) A community college's ability to adequately finance its parking program.

(2) A demonstration that the community college has exhaustively explored all other options for financing the parking program, including entering into arrangements with local governments.

(3) A demonstration that the community college actively promotes modes of public transportation.

76365. The board of governors shall adopt regulations regarding the authority of community college districts to require students to provide various types of instructional materials. These regulations shall reflect the intent of the Legislature that community college districts are not required to provide all materials, textbooks, equipment, and clothing necessary for each course and program.

These regulations shall specify the conditions under which districts may require students to provide those materials that are of continuing value to the student outside of the classroom setting, including, but not limited to, textbooks, tools, equipment, clothing, and those materials that are necessary for the student's vocational training and employment. The regulations shall establish a process for monitoring district compliance with these regulations.

76370. The governing board of a community college district may authorize a person to audit a community college course and may charge that person a fee pursuant to this section.

(a) If a fee for auditing is charged, it shall not exceed fifteen dollars ($15) per unit per semester.

The governing board shall proportionately adjust the amount of the fee for term lengths based upon a quarter system or other alternative system approved pursuant to Section 78002, and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the governing board may round the per unit fee and the per term or per session fee to the nearest dollar.

(b) Students enrolled in classes to receive credit for 10 or more semester credit units shall not be charged a fee to audit three or fewer semester units per semester.

(c) No student auditing a course shall be permitted to change his or her enrollment in that course to receive credit for the course.

(d) Priority in class enrollment shall be given to students desiring to take the course for credit towards a degree or certificate.

(e) Classroom attendance of students auditing a course shall not be included in computing the apportionment due a community college district.

(f) The board of governors shall adopt any necessary regulations implementing this section as regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

76375. (a) The board of trustees of a community college district may establish an annual building and operating fee for the purpose of financing, constructing, enlarging, remodeling, refurbishing, and operating a student body center, which fee shall be required of all students attending a community college where the student body center is to be located. The fee shall be imposed by the board of trustees, at its option, only after a favorable vote of two-thirds of the students voting in an election held for that purpose at a community college, in the manner prescribed by the Chancellor of the California Community Colleges, and open to all regular students enrolled in credit classes at the community college. The election shall occur on a regularly scheduled schoolday and at least 20 percent of the students enrolled in credit classes as of October 1 of the school year during which the election is held must cast a ballot for the election to be declared valid. The annual building and operating fee shall not exceed one dollar ($1) per credit hour up to a maximum of ten

dollars ($10) per student per fiscal year. The fee requirement shall not apply to students enrolled in the noncredit courses designated by Section 84711. The fee requirement shall not apply to a student who is a recipient of the benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or the General Assistance program.

The fee authorized by this section shall be supplemental to all other fees charged to community college students.

If fee income is used to retire obligations the district incurs when it uses a revenue bond to construct a student center, the fee shall remain in effect at least until the bond obligation is retired.

(b) The chief fiscal officer of each community college district shall be responsible for the custody of the moneys collected pursuant to this section and shall provide the necessary accounting records and controls thereof. The district shall be reimbursed from these funds in an amount to cover the cost of custodial and accounting services provided by the district in connection with these funds. These funds may be expended by the chief fiscal officer only upon submission and approval of the appropriate claim schedule by the student government or its designee.

(c) All unexpended funds and money collected by any community college district pursuant to this section shall be available for financing, constructing, enlarging, remodeling, refurbishing, and operating a student body center, and until so used, shall, subject to the approval of the student government, be deposited or invested in trust by the chief fiscal officer of the district in any one or more of the following ways:

(1) Deposits in trust accounts of a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(2) Investment certificates or withdrawable shares in state chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(3) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code.

(4) Participation funds that are exempt from federal income tax pursuant to Section 501 (c) (3) of the Internal Revenue Code and that are open exclusively to nonprofit colleges, universities, and independent schools.

(5) Investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully recovered by that insurance.

(6) Deposits with the county treasurer of the county in which the district is located.

(d) The student government of a community college with an annual building and operating fee pursuant to this section shall determine the appropriate uses of the fee income and the student body center facility itself.

76380. (a) An adult enrolled in a noncredit course shall not be required by the governing board of the district maintaining the class to pay nonresident tuition or any fee or charge of any kind for a class in English and citizenship for foreigners, a class in an elementary subject, a class designated by the governing board as a class for which high school credit is granted when the class is taken by a person who does not hold a high school diploma, or any class offered by a community college district pursuant to Section 8531, 8532, 8533, or 8534.

(b) The average daily attendance of adults in classes described in subdivision (a) shall be computed as prescribed by Section 84520 or 84524.5.

76385. A student enrolled in a class offered by a community college district that is not eligible for state apportionments may be required by the governing board of the district maintaining the class to pay a fee for the class. The total revenues derived from the fee shall not exceed the estimated cost of all of these classes maintained.

76390. Notwithstanding Section 76360, the governing board of the Pasadena Community College District may require payment of a parking fee at a campus in excess of the limits set forth in subdivision (a) of Section 76360 for the purpose of funding the construction of an on-campus parking structure if both of the following conditions exist at the campus:

(a) The average daily attendance (ADA) per parking space on the campus exceeds the statewide average ADA per parking space on community college campuses.

(b) The market price per square foot of land adjacent to the campus exceeds the statewide average market price per square foot of land adjacent to community college campuses.

If the governing board requires payment of a parking fee in excess of the limits set forth in subdivision (a), the fee may not exceed the actual cost of constructing a parking structure. Students who receive financial assistance pursuant to any of the programs described in subdivision (g) of Section 76300 shall be exempt from parking fees imposed pursuant to this section that exceed twenty dollars ($20) per semester.

76395. The governing board of a community college district may impose a fee on a participating student for the additional expenses incurred when physical education courses are required to use nondistrict facilities.

SEC. 35. The heading of Article 1.5 (commencing with Section 78210) of Chapter 2 of Part 48 of the Education Code is amended and renumbered to read:

Article 1. Student Matriculation

SEC. 35.3. Chapter 9 (commencing with Section 85410) of Part 50 of the Education Code is repealed.

SEC. 35.5. Section 87356 of the Education Code is repealed.

SEC. 35.7. Section 87615 of the Education Code is amended to read:

87615. Commencing July 1, 1991, the minimum degree requirement for tenure as a community college faculty member shall be a bachelor's degree or equivalent from an accredited institution, or an equivalent foreign degree, as determined by the board of governors, except that in the case of vocational faculty, this requirement shall commence January 1, 1995. The board of governors shall monitor the effects and anticipated effects of this provision upon hiring practices within the districts, analyze the results, and make a report and recommendation to the Legislature no later than January 1, 1994.

The governing board may grant tenure to faculty members who do not meet the minimum degree requirement for tenure specified in this section if both of the following are met:

(a) The governing board determines that rare and compelling reasons exist justifying the action. The reasons for the governing board's determination shall be reflected in its action granting tenure to the individual.

(b) The process by which the governing board reaches the determination has been developed and agreed upon jointly by representatives of the governing board and the Academic Senate, and approved by the governing board. The agreed upon process shall include reasonable procedures to ensure that the governing board relies primarily upon the advice and judgment of the academic senate to determine that rare and compelling reasons exist to grant tenure. The process shall further require that the governing board provide the Academic Senate with an opportunity to present its views to the governing board before the board makes a determination; and that the written record of the decision, including the views of the Academic Senate, shall be available for review pursuant to Section 87358.

(c) Until a joint agreement is reached pursuant to subdivision (b), the district process in existence on January 1, 1989, shall remain in effect.

SEC. 36. Section 89006 of the Education Code is amended to read:

89006. It is unlawful for any person to utilize any information, not a matter of public record, that is received by that person by reason of his or her employment by, or contractual relationship with, the trustees, the California State University, or an auxiliary organization of the California State University, for personal pecuniary gain, not contemplated by the terms of the employment or contract, regardless of whether the person is or is not so employed or under contract at the time the gain is realized.

SEC. 36.5. Section 89009 of the Education Code is amended to read:

89009. (a) It is the intent of the Legislature that public programs of postsecondary education be made available to qualified persons throughout this state, including areas of substantial existing or projected population that are isolated from any campus of the California State University.

(b) There is currently located in Ventura County the University Center at Ventura, an off-campus center that is operated by the California State University, Northridge. The Legislature finds and declares that the operation of this center has demonstrated that educational programs at the upper division and graduate levels are welcomed and needed in Ventura County. It is the intent of the Legislature that the capacity of the University Center at Ventura, as an expanded and permanent off-campus center, to serve the future educational needs of the area be examined.

(c) Pursuant to the possible establishment of an expanded and permanent off-campus center as provided by subdivision (b), the trustees, in consultation with the Regents of the University of California, shall contract for the performance of a site selection study, and a detailed survey of Ventura County, as follows:

(1) The site selection study shall evaluate the comparative merits of sites under consideration for the center, including, but not limited to, an assessment of the potential at each site for physical development and expansion of the facility.

(2) The detailed survey of Ventura County shall include, but not be limited to, official population projections, an industry and income profile, an analysis of specific education program requirements of potentially qualified students, an assessment of the need for educational services at the postsecondary education level, an analysis of the current and future roles of the University Center at Ventura, and an assessment of the services currently provided by other public and private institutions of postsecondary education, including the University of California and the California Community Colleges.

(3) It is the intent of the Legislature that the study and survey address only the possible use of the University Center at Ventura as an expanded and permanent off-campus center pursuant to this section.

(d) The trustees shall review the results of the study and survey, and shall forward the results to the California Postsecondary Education Commission for its review pursuant to Section 66904.

SEC. 37. Section 89010 of the Education Code is repealed.

SEC. 38. Section 89011 of the Education Code is amended to read:

89011. (a) It is the intent of the Legislature that public programs of postsecondary education be made available to qualified persons throughout this state, including areas of substantial existing or projected population that are isolated from any campus of the California State University.

(b) The Trustees of the California State University shall consider

the establishment of a permanent, state-supported off-campus center on state-owned property in Contra Costa County, the purpose of which shall be to continue to offer education programs at the upper division and graduate levels.

(c) Pursuant to the establishment of a permanent, state-supported off-campus center as provided by subdivision (b), the trustees shall contract for the preparation of a master plan for physical development, and a detailed survey of Contra Costa County, as follows:

(1) The master plan for the physical development of the center shall project major land uses, including open space, and the development of physical facilities, including those relating to lecture and laboratory use, and other instructional activities, site work, plant operations, and adjunct operations. The master plan shall be subject to the approval of the Trustees of the California State University.

(2) The detailed survey of Contra Costa County shall include, but not be limited to, official population projections, an industry and income profile, an analysis of specific education program requirements of potentially qualified students, an assessment of the need for educational services at the upper division and graduate levels, and an assessment of the services currently provided by other public and private institutions of postsecondary education, including the University of California and the California Community Colleges.

(d) The trustees shall review the results of the master plan and survey and shall forward the results to the California Postsecondary Education Commission for its review pursuant to Section 66904.

SEC. 39. Section 89033 of the Education Code is repealed.

SEC. 40. Section 89033.1 of the Education Code is amended and renumbered to read:

89033. Notwithstanding the change in the name of "California State University and Colleges" to "California State University," the term "university" may be used in the name of a particular institution only after the institution satisfies the criteria for state university status developed pursuant to Section 89032 and is approved for state university status by the trustees and by the California Postsecondary Education Commission.

SEC. 41. Section 89034 of the Education Code is amended to read:

89034. The authority to select and change the name of any institution of higher education in the California State University shall be vested in the trustees.

SEC. 42. Article 2.5 (commencing with Section 89050) of Chapter 1 of Part 55 of the Education Code is repealed.

SEC. 43. Section 89230 of the Education Code is amended to read:

89230. "Instructionally related activities" means those activities and laboratory experiences that are at least partially sponsored by an academic discipline or department and that are, in the judgment of the president of a particular campus, with the approval of the trustees, integrally related to its formal instructional offerings.

Activities that are considered to be essential to a quality

educational program and an important instructional experience for any student enrolled in the respective program may be considered instructionally related activities.

Instructionally related activities include, but are not limited to, all of the following:

(a) Intercollegiate athletics: costs that are necessary for a basic competitive program including equipment and supplies and scheduled travel, not provided by the state. Athletic grants should not be included.

(b) Radio, television, film: costs related to the provisions of basic "hands-on" experience not provided by the state. Purchase or rental of films as instructional aids shall not be included.

(c) Music and dance performance: costs to provide experience in individual and group performance, including recitals, before audiences and in settings sufficiently varied to familiarize students with the performance facet of the field.

(d) Drama and musical productions: basic support of theatrical and operatic activities sufficient to permit experience not only in actual performance, but in production, direction, set design, and other elements considered a part of professional training in these fields.

(e) Art exhibits: support for student art shows given in connection with degree programs.

(f) Publications: the costs to support and operate basic publication programs including a periodic newspaper and other laboratory experience basic to journalism and literary training. Additional publications designed primarily to inform or entertain shall not be included.

(g) Forensics: activities designed to provide experience in debate, public speaking, and related programs, including travel required for a competitive debate program.

(h) Other activities: activities associated with other instructional areas that are consistent with purposes included in the above may be added as they are identified.

Pursuant to this section and other provisions of this code, the Chancellor of the California State University shall develop a program of fiscal support and shall consult with the California State Student Association, the Academic Senate, and the Chancellor's Council of Presidents regarding the program.

This section shall not become operative unless funds are appropriated to meet the instructionally related needs of the campuses of the California State University.

SEC. 44. Section 89705 of the Education Code is amended to read:

89705. (a) Except as otherwise specially provided, an admission fee and rate of tuition fixed by the trustees shall be required of each nonresident student. The rate of tuition to be paid by each nonresident student, as defined in Section 68018, shall not be less than three hundred sixty dollars ($360) per year. The rate of tuition paid by each nonresident student who is a citizen and resident of a

foreign country and not a citizen of the United States, except as otherwise specifically provided, shall be fixed by the trustees and shall not be less than three hundred sixty dollars ($360) per year.

(b) The trustees may waive entirely, or reduce below the rate, or the minimum rate, fixed by this section, the tuition fee of a nonresident student who is a citizen and resident of a foreign country and not a citizen of the United States and who attends a state university or college under an agreement entered into by a governmental agency or a nonprofit corporation or organization with a similar agency, or corporation or association, domiciled in and organized under laws of a foreign country, where a principal purpose of the agreement is to encourage the exchange of students with the view of enhancing international good will and understanding. The trustees shall, in each instance, determine whether the conditions for this exemption from fees exist and may prescribe appropriate procedures to be complied with in obtaining the exemption.

SEC. 45. Article 3 (commencing with Section 89730) of Chapter 6 of Part 55 of the Education Code is repealed.

SEC. 46. Section 92583 of the Education Code is repealed.

SEC. 47. Section 92612 of the Education Code is amended to read:

92612. (a) Every individual shall have the right of access to all personal information, as defined in subdivision (a) of Section 1798.3 of the Civil Code, contained in any employee record that is maintained by the University of California that pertains to the individual.

(b) If information relating to the employment, advancement, renewal of appointment, or promotion of any individual in an academic senate position is received with the promise or understanding that the identity of the source of the information would be held in confidence, the university shall provide a copy of the text of that information to the individual to whom the information pertains with only the deletion of the name and affiliation, if any, of the source. "Information," as used in this subdivision, shall be limited to letters of recommendation, and reports of faculty review committees compiled for the purpose of determining the qualifications of members of the academic senate for employment, advancement, renewal of appointment, or promotion.

(c) Subdivisions (a) and (b) shall not apply to any personal information, as defined in subdivision (a) of Section 1798.3 of the Civil Code, received prior to January 1, 1979, with the promise or understanding that the identity of the source of the personal information would be held in confidence.

(d) Subdivisions (b) and (c) shall not be applicable to the University of California unless adopted by the regents.

SEC. 48. Section 92620 of the Education Code is amended to read:

92620. It is the intent of the Legislature that the Regents of the University of California shall eliminate all policies that detrimentally and unreasonably affect the employment status of females hired by

the university. To accomplish this purpose, the regents shall do all of the following:

(a) Review hiring, wages, job classifications and advancement practices as applied to female employees.

(b) Review selection procedures utilized for employment of female employees to determine disparate selection practices.

(c) Review opportunity of advancement for qualified female employees to executive positions within departments and divisions.

SEC. 49. The heading of Chapter 9 (commencing with Section 92690) of Part 57 of the Education Code is amended and renumbered to read:

CHAPTER 7. THE CENTER FOR COOPERATIVES

SEC. 50. Section 94020 of the Education Code is amended to read:

94020. The exemption from taxation of the Leland Stanford Junior University is as provided in Section 3 of Article XIII of the California Constitution. However, the university shall hold exempt from taxation all real property used by it exclusively for educational purposes.

SEC. 51. Section 94021 of the Education Code is amended to read:

94021. Property held in trust for the founding, maintenance or benefit of the Leland Stanford Junior University shall be deemed to be held and used by the university exclusively for educational purposes as required by Section 2 of Article XX of the California Constitution if it constitutes part of a medical facility wherein medical students, interns, residents and fellows receive medical training or participate in medical research.

It is the intent and purpose of this section to clarify Section 2 of Article XX of the California Constitution and to clarify the provisions of Section 94020.

SEC. 52. Section 94362 of the Education Code is amended to read:

94362. (a) The Council for Private Postsecondary and Vocational Education and the Attorney General shall take cognizance of the fact that both have definite duties and responsibilities under this chapter.

(b) The Council for Private Postsecondary and Vocational Education shall report any information concerning possible violations of this chapter to the Attorney General.

(c) The Attorney General shall make investigations that are necessary to determine whether or not there has been compliance with this chapter.

SEC. 53. Section 94380 of the Education Code is amended to read:

94380. Each private postsecondary educational institution with a full-time equivalency enrollment of over 1,000 and private vocational educational institution shall do all of the following:

(a) Require the appropriate officials at each campus of their respective institutions to compile records of all occurrences reported to police or campus authorities, and arrests for crimes involving

violence, theft, or destruction of property, or illegal drugs or alcoholic intoxication that happen on the campus.

(b) Make the information compiled pursuant to subdivision (a) available on the request of any student or employee of, or applicant for admission to, any campus of their respective institutions.

(c) Require the appropriate officials at each campus of their respective institutions to prepare, prominently post, and copy for distribution on request a campus safety plan that sets forth all of the following: the availability and location of security personnel, methods for summoning assistance of security personnel, any special safeguards that have been established for particular facilities or activities, any actions taken in the preceding 18 months to increase safety, and any changes in safety precautions expected to be made during the next 24 months. For the purposes of this section, posting and distribution may be accomplished by including relevant safety information in a student handbook or brochure that is made generally available to students.

SEC. 54. The heading of Chapter 3.8 (commencing with Section 94385) of Part 59 of the Education Code is repealed.

SEC. 55. Section 94385 of the Education Code is amended to read:

94385. (a) Each private postsecondary educational institution and private vocational educational institution shall each adopt, and implement at each of their respective campuses or other facilities, a written procedure or protocols to ensure, to the fullest extent possible, that students, faculty, and staff who are victims of sexual assault committed at or upon the grounds of, or upon off-campus grounds or facilities maintained by the institution, or upon grounds or facilities maintained by affiliated student organizations, shall receive treatment and information. If appropriate on-campus treatment facilities are unavailable, the written procedure or protocols may provide for referrals to local community treatment centers.

(b) The written procedures or protocols adopted pursuant to subdivision (a) shall contain at least the following information:

(1) The college policy regarding sexual assault on campus.

(2) Personnel on campus who should be notified, and procedures for notification, with the consent of the victim.

(3) Legal reporting requirements, and procedures for fulfilling them.

(4) Services available to victims, and personnel responsible for providing these services, such as the person assigned to transport the victim to the hospital, to refer the victim to a counseling center, and to notify the police, with the victim's concurrence.

(5) A description of campus resources available to victims, as well as appropriate off-campus services.

(6) Procedures for ongoing case management, including procedures for keeping the victim informed of the status of any student disciplinary proceedings in connection with the sexual assault, and the results of any disciplinary action or appeal, and

helping the victim deal with academic difficulties that may arise because of the victimization and its impact.

(7) Procedures for guaranteeing confidentiality and appropriately handling requests for information from the press, concerned students, and parents.

(8) Each victim of sexual assault should receive information about the existence of at least the following options: criminal prosecutions, civil prosecutions, the disciplinary process through the college, the availability of mediation, alternative housing assignments, and academic assistance alternatives.

(c) For the purposes of this section, "sexual assault" includes, but is not limited to, rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat of sexual assault.

SEC. 56. Chapter 4 (commencing with Section 99170) of Part 65 of the Education Code is repealed.

SEC. 56.5. Section 50330 of the Government Code is amended to read:

50330. Whether governed under general laws or charter, a local agency may donate and grant to the Regents of the University of California, the Trustees of the California State University, or the governing board of a community college district real property that it owns as a site for university buildings and grounds, state university buildings and grounds, or community college buildings and grounds, as the case may be. A local agency may expend funds, incur indebtedness, and issue bonds for the acquisition of a site within or without its boundaries for the purposes of this section.

SEC. 57. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the technical changes made by this act to take effect as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 9

An act to amend Section 798.17 of the Civil Code, relating to mobilehomes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 1993. Filed with Secretary of State April 29, 1993.]

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

SECTION 1. Section 798.17 of the Civil Code is amended to read:

798.17. (a) (1) Rental agreements meeting the criteria of subdivision (b) shall be exempt from any ordinance, rule, regulation,

or initiative measure adopted by any local governmental entity which establishes a maximum amount that a landlord may charge a tenant for rent. The terms of a rental agreement meeting the criteria of subdivision (b) shall prevail over conflicting provisions of an ordinance, rule, regulation, or initiative measure limiting or restricting rents in mobilehome parks, only during the term of the rental agreement or one or more uninterrupted, continuous extensions thereof. If the rental agreement is not extended and no new rental agreement in excess of 12 months' duration is entered into, then the last rental rate charged for the space under the previous rental agreement shall be the base rent for purposes of applicable provisions of law concerning rent regulation, if any.

(2) In the first sentence of the first paragraph of a rental agreement entered into on or after January 1, 1993, pursuant to this section, there shall be set forth a provision in at least 12-point boldface type if the rental agreement is printed, or in capital letters if the rental agreement is typed, giving notice to the homeowner that the rental agreement will be exempt from any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity which establishes a maximum amount that a landlord may charge a tenant for rent.

(b) Rental agreements subject to this section shall meet all of the following criteria:

(1) The rental agreement shall be in excess of 12 months' duration.

(2) The rental agreement shall be entered into between the management and a homeowner for the personal and actual residence of the homeowner.

(3) The homeowner shall have at least 30 days from the date the rental agreement is first offered to the homeowner to accept or reject the rental agreement.

(4) The homeowner who executes a rental agreement offered pursuant to this section may void the rental agreement by notifying management in writing within 72 hours of the homeowner's execution of the rental agreement.

(c) If, pursuant to paragraph (3) or (4) of subdivision (b), the homeowner rejects the offered rental agreement or rescinds a signed rental agreement, the homeowner shall be entitled to instead accept, pursuant to Section 798.18, a rental agreement for a term of 12 months or less from the date the offered rental agreement was to have begun. In the event the homeowner elects to have a rental agreement for a term of 12 months or less, including a month-to-month rental agreement, the rental agreement shall contain the same rental charges, terms, and conditions as the rental agreement offered pursuant to subdivision (b), during the first 12 months, except for options, if any, contained in the offered rental agreement to extend or renew the rental agreement.

(d) Nothing in subdivision (c) shall be construed to prohibit the management from offering gifts of value, other than rental rate

reductions, to homeowners who execute a rental agreement pursuant to this section.

(e) With respect to any space in a mobilehome park that is exempt under subdivision (a) from any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity that establishes a maximum amount that a landlord may charge a homeowner for rent, and notwithstanding any ordinance, rule, regulation, or initiative measure, a mobilehome park shall not be assessed any fee or other exaction for a park space that is exempt under subdivision (a) imposed pursuant to any ordinance, rule, regulation, or initiative measure. No other fee or other exaction shall be imposed for a park space that is exempt under subdivision (a) for the purpose of defraying the cost of administration thereof.

(f) At the time the rental agreement is first offered to the homeowner, the management shall provide written notice to the homeowner of the homeowner's right (1) to have at least 30 days to inspect the rental agreement, and (2) to void the rental agreement by notifying management in writing within 72 hours of the acceptance of a rental agreement. The failure of the management to provide the written notice shall make the rental agreement voidable at the homeowner's option upon the homeowner's discovery of the failure. The receipt of any written notice provided pursuant to this subdivision shall be acknowledged in writing by the homeowner.

(g) No rental agreement subject to subdivision (a) that is first entered into on or after January 1, 1993, shall have a provision which authorizes automatic extension or renewal of, or automatically extends or renews, the rental agreement for a period beyond the initial stated term at the sole option of either the management or the homeowner.

(h) This section does not apply to or supersede other provisions of this part or other state law.

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

In order to avoid the adverse impact of the unfair imposition of fees for the administration of a local rent control ordinance on mobilehome owners and residents who live on mobilehome spaces that are exempt from rent control, it is necessary that this act take effect immediately.

CHAPTER 10

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

[Approved by Governor April 28, 1993. Filed with Secretary of State April 29, 1993.]

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

SECTION 1. This act may be cited as the First Validating Act of 1993.

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 pest 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.
Infrastructure financing districts.
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.

Los Angeles County Transportation Commission.
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.
Police protection 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 justice facility financing agencies.
Regional open-space districts.
Regional park and open-space districts.
Regional park districts.
Regional planning districts.
Regional transportation commissions.
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 authorities for freeway emergencies.

Service zones of fire protection districts.
Sewer maintenance districts.
Special benefit assessment districts of the Southern California Rapid Transit District.
Special community services districts.
Special transit service districts.
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 fire protection 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 shall 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 11

An act to amend Sections 10101, 10102, 10104, 10105, 10106, and 10107 of the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1993. Filed with Secretary of State May 5, 1993.]

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

SECTION 1. Section 10101 of the Insurance Code is amended to read:

10101. On and after July 1, 1993, no policy of residential property insurance may be first issued or, with respect to policies already in effect on January 1, 1994, initially renewed in this state by any insurer unless the named insured is provided a copy of the California Residential Property Insurance disclosure statement as contained in Section 10102.

SEC. 2. Section 10102 of the Insurance Code is amended to read:

10102. (a) The disclosure required by Section 10101 shall be in no less than 10-point type face and shall be provided prior to, or concurrent with, the application for or initial renewal of a policy of residential property insurance. In the event that an application is made by telephone, an insurer that mails a copy of the disclosure within three business days shall be in compliance with this section. For policies issued on or after July 1, 1993, at the time of the original application, the agent or insurer shall obtain the applicant's signature acknowledging receipt of the disclosure form within 60 days of the date of the application. When the insurer or agent establishes delivery of the disclosure form by obtaining the signature of the applicant or insured, or when an insurer or agent provides the applicant with the disclosure form and the applicant does not return a signed acknowledgment of receipt within 60 days of the date it was provided, there shall be a conclusive presumption that the insurer or agent has complied with the disclosure requirement of this chapter. The insurer or agent shall have the burden of demonstrating in accordance with California Rules of Evidence that the disclosure was provided to the applicant or insured. A signature shall not be required at the time of renewal.

If the disclosure is mailed to the named insured or applicant, it shall be mailed to the mailing address shown on the policy of residential property insurance or to the address requested by the

applicant. First-class mail shall be deemed adequate for proof of mailing. The insurer shall have the burden of demonstrating in accordance with California Rules of Evidence that the disclosure was mailed to the applicant or insured.

The disclosure shall contain the following language:

CALIFORNIA RESIDENTIAL PROPERTY INSURANCE DISCLOSURE

This disclosure is required by California law (Section 10102 of the Insurance Code). It describes the principal forms of insurance coverage in California for residential dwellings. It also identifies the form of dwelling coverage you have purchased or selected.

This disclosure form contains only a general description of coverages and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and, if so, the amount payable. Regardless of which type of coverage you purchase, your policy may exclude or limit certain risks.

READ YOUR POLICY CAREFULLY. If you do not understand any part of it or have questions about what it covers, contact your insurance agent or company. You may also call the California Department of Insurance consumer information line at [_____].

FORMS OF COVERAGE FOR DWELLINGS	Dwelling Coverage selected or purchased
GUARANTEED REPLACEMENT COST COVERAGE WITH FULL BUILDING CODE UPGRADE PAYS REPLACEMENT COSTS WITHOUT REGARD TO POLICY LIMITS, AND INCLUDES COSTS RESULTING FROM CODE CHANGES. In the event of any covered loss to your home, the insurance company will pay the full amount needed to repair or replace the damaged or destroyed dwelling with like or equivalent construction regardless of policy limits. Your policy will specify whether you must actually repair or replace the damaged or destroyed dwelling in order to recover guaranteed replacement cost. The amount of recovery will be reduced by any deductible you have agreed to pay. This coverage includes all additional costs of repairing or replacing your damaged or destroyed dwelling to comply with any new building standards (such as building codes or zoning laws) required by government agencies and in effect at the time of rebuilding. To be eligible to recover full guaranteed replacement costs with building code upgrade, you must insure the dwelling to its full replacement cost at the time the policy is issued, with possible periodic increases in the amount of coverage to adjust for inflation and increases in building costs; you must permit inspections of the dwelling by the insurance company; and you must notify the insurance company about any alterations that increase the value of the insured dwelling by a certain amount (see your policy for that amount).	
GUARANTEED REPLACEMENT COST COVERAGE WITH LIMITED OR NO BUILDING CODE UPGRADE PAYS REPLACEMENT COSTS WITHOUT REGARD TO POLICY LIMITS BUT LIMITS OR EXCLUDES COSTS RESULTING FROM CODE CHANGES. In the event of any covered loss to your home, the insurance company will pay the full amount needed to repair or replace the damaged or destroyed dwelling with like or equivalent construction regardless of policy limits. Your policy will specify whether you must actually repair or replace the damaged or destroyed dwelling in order to recover guaranteed replacement cost. The amount of recovery will be reduced by any deductible you have agreed to pay. This coverage does not include all additional costs of repairing or replacing your damaged or destroyed dwelling to comply with any new building standards (such as building codes or zoning laws) required by government agencies and in effect at the time of rebuilding. Consult your policy for the applicable exclusions or limits with respect to these costs. To be eligible to recover full guaranteed replacement cost with limited or no building code upgrade, you must insure the dwelling to its full replacement cost at the time the policy is issued, with possible periodic increases in the amount of coverage to adjust for inflation and increases in building costs; you must permit an inspection of the dwelling by the insurance company; and you must notify the insurance company about any alterations that increase the value of the insured dwelling by a certain amount (see your policy for that amount).	

FORMS OF COVERAGE FOR DWELLINGS	Dwelling Coverage selected or purchased
EXTENDED REPLACEMENT COST COVERAGE PAYS REPLACEMENT COSTS UP TO A SPECIFIED AMOUNT ABOVE THE POLICY LIMIT. In the event of any covered loss to your home, the insurance company will pay to repair or replace the damaged or destroyed dwelling with like or equivalent construction up to a specified percentage over the policy's limits of liability. See the declarations page of your policy for the limit that applies to your dwelling. Your policy will specify whether you must actually repair or replace the damaged or destroyed dwelling in order to recover extended replacement costs. The amount of recovery will be reduced by any deductible you have agreed to pay. To be eligible to recover extended replacement cost coverage, you must insure the dwelling to its full replacement cost at the time the policy is issued, with possible periodic increases in the amount of coverage to adjust for inflation; you must permit an inspection of the dwelling by the insurance company; and you must notify the insurance company about any alterations that increase the value of the insured dwelling by a certain amount (see your policy for that amount). Your policy will specify whether or not you must actually repair or replace the damaged or destroyed dwelling in order to recover extended replacement cost. Read your declaration page to determine whether your policy includes coverage for building code upgrades.	
REPLACEMENT COST COVERAGE PAYS REPLACEMENT COSTS UP TO POLICY LIMITS. In the event of any covered loss to your home, the insurance company will pay to repair or replace the damaged or destroyed dwelling with like or equivalent construction up to the policy's limit of liability. See the declarations page of your policy for the limit that applies to your dwelling. Your policy will specify whether you must actually repair or replace the damaged or destroyed dwelling in order to recover replacement costs. The amount of recovery will be reduced by any deductible you have agreed to pay. To be eligible to recover replacement cost, you must insure the dwelling to [company shall denote percentage] [ ] percent of its replacement cost at the time of loss. Read your declaration page to determine whether your policy includes coverage for building code upgrades.	
ACTUAL CASH VALUE COVERAGE PAYS THE FAIR MARKET VALUE OF THE DWELLING AT THE TIME OF LOSS, UP TO POLICY LIMIT. In the event of any covered loss to your home, the insurance company will pay either the depreciated fair market value of the damaged or destroyed dwelling at the time of the loss or the cost of replacing or repairing the damaged or destroyed dwelling with like or equivalent construction up to the policy limit. The amount of recovery will be reduced by any deductible you have agreed to pay. Read your declaration page to determine whether your policy includes coverage for building code upgrades.	
BUILDING CODE UPGRADE—ORDINANCE AND LAW COVERAGE PAYS, UP TO LIMITS SPECIFIED IN YOUR POLICY, ADDITIONAL COSTS REQUIRED TO BRING THE DWELLING "UP TO CODE." In the event of any covered loss, the insurance company will pay any additional costs, up to the stated limits, of repairing or replacing a damaged or destroyed dwelling to conform with any building standards such as building codes or zoning laws required by government agencies and in effect at the time of the loss or rebuilding (see your policy).	

(b) The agent or insurer shall indicate on the disclosure form which category of coverage the applicant or insured has selected or purchased.

(c) The disclosure statement may contain additional provisions not in conflict with or in derogation of the foregoing.

(d) Following the issuance or initial renewal of the policy of residential property insurance, the insurer shall provide the disclosure statement to the insured on an every-other-year basis at the time of renewal. The disclosure required by this section may be transmitted with the material required by Section 10086.1.

(e) No policy of residential property insurance may be initially issued on and after January 1, 1993, as guaranteed replacement cost coverage if it contains any maximum limitation of coverage based on any set dollar limits, percentage amounts, construction cost limits, indexing, or any other preset maximum limitation for covered damage to the insured dwelling. The limitations referred to in this section are solely applicable to dwelling structure coverages. Endorsements covering additional risks to the insurer's dwelling structure coverage may have internal limits as long as those endorsements are not called guaranteed replacement cost coverage.

(f) On and after July 1, 1993, no policy of residential property insurance may be renewed as guaranteed replacement cost coverage if it contains any maximum limitation of coverage based on any set dollar limits, percentage amounts, construction cost limits, indexing, or any other preset maximum limitation for covered damage to the insured dwelling. The limitations referred to in this section are solely applicable to dwelling structure coverages. Endorsements covering additional risks to the insurer's dwelling structure coverage may have internal limits as long as those endorsements are not called guaranteed replacement cost coverage.

(g) Coverage provided for building code upgrades by a policy of residential property insurance shall be applicable to building codes, ordinances, standards, or laws only to the extent that those codes, ordinances, standards, or laws do not impose stricter standards on the property on the basis of the level of insurance coverage applicable to the property.

(h) The disclosure required by Section 10101 shall also be provided to the mortgagor in the event that a policy is forced placed by an insurer at the request of a mortgagee. In such cases, neither the insurer nor the mortgagee shall be required to obtain a signature from the mortgagor. No disclosure shall be required to be provided with respect to blanket policies issued to a mortgagee, and designed to provide interim coverage for losses occurring prior to the mortgagee obtaining knowledge of the lapse of the policy and prior to placement of a policy on behalf of the mortgagor.

(i) On and after July 1, 1994, insurers shall add to the disclosure, in no less than 10-point type the following statement:

This disclosure form does not explain the types of contents coverage (furniture, clothing, etc.) provided by your policy. Some

policies do not replace contents with new items, but instead, only pay for the current market value of an item. If you have any questions, contact your insurer or agent.

SEC. 3. Section 10104 of the Insurance Code is amended to read:

10104. (a) As used in this chapter, "policy of residential property insurance" shall have the same meaning as defined in Section 10087, except that it shall not include a tenant's policy, a policy covering individually owned mobilehomes and their contents, a renter's policy, or a policy insuring individually owned condominium units, when those policies do not provide dwelling structure coverage. If a policy insuring an individually owned condominium does provide dwelling structure coverage, an insurer is required to provide the disclosure required in this chapter.

(b) As used in this chapter, "insurer" shall have the same meaning as defined in Section 10091.

SEC. 4. Section 10105 of the Insurance Code is amended to read:

10105. Nothing in this chapter is intended to expand, contract, modify, or otherwise affect the coverage provided under any policy of residential property insurance issued and in effect prior to July 1, 1993. The provisions of this chapter shall apply to those policies upon the first renewal of those policies following January 1, 1994.

SEC. 4.5. Section 10106 of the Insurance Code is amended to read:

10106. The Insurance Commissioner may modify the disclosure statement as contained in Section 10102 only upon request of an insurer. The modification shall only be for the purpose of adding new or clarifying existing language describing any form of dwelling coverage offered by an insurer. The commissioner's authority to modify the disclosure statement shall be limited solely to determining the clarity and accuracy of the information provided in the disclosure to ensure that the disclosure accurately reflects a new or existing product. It is the intent of the Legislature that the disclosure form be kept as brief as clarity and accuracy permit. Any modification to the disclosure statement shall be approved in writing by the commissioner.

SEC. 5. Section 10107 of the Insurance Code is amended to read:

10107. Except as provided in subdivisions (e) and (i) of Section 10102, this chapter shall apply to all policies newly issued on or after July 1, 1993, and to all policies renewed after January 1, 1994.

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 ensure the efficient implementation in this state of laws relating to residential property insurance disclosure statements, it is necessary that this act take effect immediately.

CHAPTER 12

An act to amend Sections 3513, 3527, 8501, 10500, 10528, and 13332.16 of, to amend the heading of Chapter 6 (commencing with Section 8501) of Division 1 of Title 2 of, to add Sections 8521.5, 8522.5, and 8542 to, to add Chapter 6.5 (commencing with Section 8543) to Division 1 of Title 2 of, to repeal Sections 10506.5, 10507, 10529, 10532, and 10534 of, and to repeal Article 3 (commencing with Section 10540) of Part 2 of Division 2 of Title 2 of, the Government Code, relating to the Auditor General, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 7, 1993. Filed with Secretary of State May 7, 1993.]

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

SECTION 1. Section 3513 of the Government Code is amended to read:

3513. As used in this chapter:

(a) "Employee organization" means any organization which includes employees of the state and which has as one of its primary purposes representing these employees in their relations with the state.

(b) "Recognized employee organization" means an employee organization which has been recognized by the state as the exclusive representative of the employees in an appropriate unit.

(c) "State employee" means any civil service employee of the state, and the teaching staff of schools under the jurisdiction of the State Department of Education or the Superintendent of Public Instruction, except managerial employees, confidential employees, supervisory employees, employees of the Department of Personnel Administration, professional employees of the Department of Finance engaged in technical or analytical state budget preparation other than the auditing staff, professional employees in the Personnel/Payroll Services Division of the Controller's office engaged in technical or analytical duties in support of the state's personnel and payroll systems other than the training staff, employees of the Legislative Counsel Bureau, employees of the Bureau of State Audits, employees of the board, conciliators employed by the State Conciliation Service within the Department of Industrial Relations, and intermittent athletic inspectors who are employees of the State Athletic Commission.

(d) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, hours and other terms and conditions of employment between representatives of the public agency and the recognized employee organization or recognized employee organizations through interpretation, suggestion and advice.

(e) "Managerial employee" means any employee having significant responsibilities for formulating or administering agency or departmental policies and programs or administering an agency or department.

(f) "Confidential employee" means any employee who is required to develop or present management positions with respect to employer-employee relations or whose duties normally require access to confidential information contributing significantly to the development of management positions.

(g) "Supervisory employee" means any individual, regardless of the job description or title, having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend this action, if, in connection with the foregoing, the exercise of this authority is not of a merely routine or clerical nature, but requires the use of independent judgment. Employees whose duties are substantially similar to those of their subordinates shall not be considered to be supervisory employees.

(h) "Board" means the Public Employment Relations Board. The Educational Employment Relations Board established pursuant to Section 3541 shall be renamed the Public Employment Relations Board as provided in Section 3540. The powers and duties of the board described in Section 3541.3 shall also apply, as appropriate, to this chapter.

(i) "Maintenance of membership" means that all employees who voluntarily are, or who voluntarily become, members of a recognized employee organization shall remain members of that employee organization in good standing for a period as agreed to by the parties pursuant to a memorandum of understanding, commencing with the effective date of the memorandum of understanding. A maintenance of membership provision shall not apply to any employee who within 30 days prior to the expiration of the memorandum of understanding withdraws from the employee organization by sending a signed withdrawal letter to the employee organization and a copy to the Controller's office.

(j) "State employer," or "employer," for the purposes of bargaining or meeting and conferring in good faith, means the Governor or his or her designated representatives.

(k) "Fair share fee" means the fee deducted by the state employer from the salary or wages of a state employee in an appropriate unit who does not become a member of and financially support the recognized employee organization. The fair share fee shall be used to defray the costs incurred by the recognized employee organization in fulfilling its duty to represent the employees in their employment relations with the state, and shall not exceed the standard initiation fee, membership dues, and general assessments of the recognized employee organization.

SEC. 2. Section 3527 of the Government Code is amended to

read:

3527. As used in this chapter:

(a) "Employee" means a civil service employee of the State of California. The "State of California" as used in this chapter includes such state agencies, boards, and commissions as may be designated by law that employ civil service employees, except the University of California, Hastings College of the Law, and the California State University.

(b) "Excluded employee," means all managerial employees, as defined in subdivision (e) of Section 3513, all confidential employees, as defined in subdivision (f) of Section 3513, and all supervisory employees, as defined in subdivision (g) of Section 3513, and all civil service employees of the Department of Personnel Administration, professional employees of the Department of Finance engaged in technical or analytical state budget preparation other than the auditing staff, professional employees in the Personnel/Payroll Services Division of the Controller's office engaged in technical or analytical duties in support of the state's personnel and payroll systems other than the training staff, employees of the Legislative Counsel Bureau, employees of the Bureau of State Audits, employees of the Public Employment Relations Board, conciliators employed by the State Conciliation Service within the Department of Industrial Relations, and intermittent athletic inspectors who are employees of the State Athletic Commission.

(c) "Supervisory employee organization" means an organization which represents members who are supervisory employees under subdivision (g) of Section 3513.

(d) "Excluded employee organization" means an organization which includes excluded employees of the state, as defined in subdivision (b), and which has as one of its primary purposes representing its members in employer-employee relations. Excluded employee organization includes supervisory employee organizations.

(e) "State employer" or "employer," for purposes of meeting and conferring on matters relating to supervisory employer-employee relations, means the Governor or his or her designated representatives.

SEC. 3. The heading of Chapter 6 (commencing with Section 8501) of Division 1 of Title 2 of the Government Code is amended to read:

CHAPTER 6. THE MILTON MARKS COMMISSION ON CALIFORNIA STATE GOVERNMENT ORGANIZATION AND ECONOMY

SEC. 4. Section 8501 of the Government Code is amended to read:

8501. There is in the state government a Milton Marks Commission on California State Government Organization and Economy, hereafter in this chapter referred to as the "commission." The commission shall be comprised of thirteen members as follows:

(a) Nine members of the public, appointed for terms of four years pursuant to this section. Not more than five of these members shall be registered as members of the same political party, and none shall hold public office in the executive branch of the state government.

Any public member who is absent for three consecutive regular meetings of the commission may be removed by the appointing authority unless the member is excused from those meetings by the chairman of the commission. In the event of removal, or upon the resignation or death of the member, the respective appointing authority shall designate another person to fill the balance of the unexpired term.

(b) Five members shall be appointed by the Governor. However, the terms of these members shall be staggered so that the terms of three members shall commence on January 1, 1978, and the terms of two members shall commence on January 1, 1980. To achieve the staggering of terms, the Governor shall designate the terms of the present members of the commission who have been appointed by the Governor.

(c) Two members of the public shall be appointed by the Senate Committee on Rules. However, the terms of these members shall be staggered so that the term of one member commences on January 1, 1979, and the term of the other member commences January 1, 1981. To achieve the staggering of terms, the Senate Committee on Rules shall designate the terms of the present members of the commission who have been appointed by the Senate Committee on Rules.

(d) Two members of the public shall be appointed by the Speaker of the Assembly. However, the terms of these members shall be staggered so that the term of one member commences January 1, 1979, and the term of the other member commences January 1, 1981. To achieve the staggering of terms the Speaker of the Assembly shall designate the terms of the present members of the commission who have been appointed by the Speaker of the Assembly.

(e) Two Members of the Senate of the State of California appointed by the Senate Committee on Rules. These members shall serve at the pleasure of the appointing authority but shall not be registered with the same political party. If a member, while serving on the commission, registers with the same political party as the other member, the Senate Committee on Rules shall replace one of the members with a new member who is not registered with the same political party as the remaining member.

(f) Two Members of the Assembly of the State of California appointed by the Speaker of the Assembly. These members shall serve at the pleasure of the appointing authority but shall not be registered with the same political party. If a member, while serving on the commission, registers with the same political party as the other member, the Speaker of the Assembly shall replace one of the members with a new member who is not registered with the same political party as the remaining member.

SEC. 5. Section 8521.5 is added to the Government Code, to read:

8521.5. The Legislature finds that our system of government is a complex structure of interlocking relationships among all levels of government for managing public funds and programs. Officials and employees who manage and administer these programs must be accountable for their activities to the public. The Legislature recognizes that governmental audits are an important cornerstone in the system of accountability expected by the people of California. One of the most important aspects of public accountability is whether the use of state funds and resources complies with the Legislature's statutory mandates.

Under the direction of the Milton Marks Commission on California State Government Organization and Economy, the State Auditor shall meet the needs of state government for periodic audits of organizations, programs, and services. The State Auditor shall conduct an independent audit for use by the executive and legislative branches of state government to promote sound fiscal and administrative policy for the government of the state, fulfill the condition for the receipt of billions of dollars in federal grant funds, and provide an independent financial audit report that is relied upon by underwriters, bond-rating companies, and potential investors.

SEC. 6. Section 8522.5 is added to the Government Code, to read:

8522.5. The commission shall review final reports and make recommendations to the Legislature and the Governor concerning the results of state audits and the revenues and expenditures of the state, its departments, subdivisions, agencies, and other public entities.

SEC. 7. Section 8542 is added to the Government Code, to read:

8542. With respect to the Bureau of State Audits, the commission shall do all of the following:

(a) Review reports completed by the bureau and make recommendations to the Legislature, the Governor, and the public concerning the operations of the state, its departments, subdivisions, agencies, and other public entities.

(b) Oversee the activities of the bureau to ensure its compliance with subdivision (d) of Section 8544.5 and Section 8546. The State Auditor shall report to the commission on its contracting activities, its affirmative action plan, and its compliance with provisions of the State Administrative Manual.

(c) Review the annual audit of the State Audit Fund.

SEC. 8. Chapter 6.5 (commencing with Section 8543) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 6.5 STATE AUDITOR

Article 1. General Provisions

8543. There is hereby created in state government the Bureau of State Audits under the direction of the Milton Marks Commission on

California State Government Organization and Economy. In order to be free of organizational impairments to independence, the bureau shall be independent of the executive branch and legislative control.

8543.1. The duties of the Bureau of State Audits are to examine and report annually upon the financial statements prepared by the executive branch of the state and to perform other related assignments, including performance audits, that are mandated by statute.

8543.2. (a) The head of the bureau is the State Auditor, who shall be appointed by the Governor from a list of three qualified individuals submitted by the Joint Legislative Audit Committee by a vote of at least a majority of the committee membership from each house of the Legislature. The term of any individual appointed as the State Auditor shall be four years. Any vacancy in the office shall be filled in the same manner provided by this subdivision for a full term.

(b) As the head of the bureau, the State Auditor may establish constituent parts of the bureau to carry out the powers and duties of the bureau unless otherwise specified by law.

(c) The bureau has a Chief Deputy State Auditor.

8543.3. The State Auditor shall be chosen without reference to party affiliation and solely on the ground of fitness to perform the duties of the office. Prior to selection, the State Auditor shall possess a combination of education and experience in auditing and management necessary to perform the duties of the office.

8543.5. The Chief Deputy State Auditor shall be appointed by the State Auditor. The Chief Deputy State Auditor shall carry out those duties prescribed by the State Auditor and shall act for the State Auditor when the State Auditor is absent or unable to serve or when the office of the State Auditor is vacant. The tenure of any incumbent Chief Deputy State Auditor shall expire on any date that an individual is appointed State Auditor, but any incumbent Chief Deputy State Auditor may be reappointed pursuant to this section.

8543.6. The State Auditor may be removed for cause at any time by concurrent resolution of the Legislature. A State Auditor removed pursuant to this section may not be reappointed to the office.

8543.7. (a) The annual salary for the State Auditor shall be equal to that of agency secretaries of the executive branch of government pursuant to Section 11550.

(b) The State Auditor shall be repaid all actual expenses incurred or paid by him or her in the discharge of his or her duties.

8544. Consistent with the provisions of Section 19825, the State Auditor may employ and fix the compensation, in accordance with Article VII of the California Constitution, of those professional assistants and technical, clerical, deputy state auditors, and other officers and employees as he or she deems necessary for the effective conduct of the work under his or her charge.

In establishing and adjusting classes of positions, and establishing and adjusting salary ranges for each class of position, to provide for

the continued ability to attract and maintain qualified individuals within the Bureau of State Audits, consideration shall be given to the following: the level of education, experience, knowledge, and ability required of the employees in the bureau is generally higher than that of state service generally, due to the unique duties and responsibilities imposed on the bureau and the relatively small number of employees. When fixing compensation for employees, the State Auditor shall consider prevailing rates for comparable service in other public employment and private business.

8544.1. As of the effective date of this chapter, the Auditor General or Acting Auditor General pursuant to Section 10504 shall act as the Acting State Auditor pursuant to this chapter until an appointment is made pursuant to Section 8543.2 or the expiration of 90 days, whichever occurs first. The office of Auditor General or Acting Auditor General shall be deemed vacant as of the effective date of this chapter until a successor is selected pursuant to Section 10504. The State Personnel Board shall authorize temporary appointment authority under Section 5 of Article VII of the California Constitution and Section 19058 to the individual serving as the State Auditor and shall authorize appointments and conduct examinations necessary to accomplish the prompt filling of employee positions in the Bureau of State Audits. The State Auditor may contract with the board or another appointing authority for the purpose of designing, publicizing, or administering examinations. All persons employed by the Office of the Auditor General on or after January 1, 1991, may participate in departmental promotional examinations for the bureau for a period of one year beginning on the effective date of this chapter. The Department of Personnel Administration shall assist the bureau in its formation, as necessary.

8544.2. Persons employed by the Bureau of State Audits pursuant to Section 8544.1 shall be allowed to enroll in civil service employee benefit programs.

8544.3. All persons employed by the Bureau of State Audits pursuant to Section 8544.1 who were members of the Public Employees' Retirement System as of November 3, 1992, shall retain their existing classification within the system and shall be considered state miscellaneous members as defined in Section 20014.

8544.4. The permanent office of the State Auditor shall be in Sacramento, where he or she shall be provided with suitable and sufficient offices. When in his or her judgment the conduct of the work requires, he or she may maintain offices at other places in the state.

8544.5. (a) There is hereby established in the State Treasury the State Audit Fund. Notwithstanding Section 13340, the State Audit Fund is continuously appropriated for the expenses of the State Auditor. There shall be appropriated annually in the Budget Act to the State Audit Fund, from the General Fund, the amount necessary to reimburse the State Audit Fund for the cost of audits to be performed. "Cost of audits" means all direct and indirect costs of

conducting the audits and any other related expenses incurred by the State Auditor in fulfilling his or her statutory responsibilities.

(b) Upon certification by the State Auditor of estimated costs on a monthly basis, the Controller shall transfer the amount thus certified from the General Fund to the State Audit Fund. The Controller shall thereafter issue warrants drawn against the State Audit Fund upon receipt of claims certified by the State Auditor.

(c) As of the effective date of this chapter, all unallocated funds in the Auditor General Fund pursuant to former Section 10507 shall be available for transfer to the State Audit Fund pursuant to subdivision (b). The amount of funds provided in Item 8855-011-001 of Chapter 587 of the Statutes of 1992 (Budget Act of 1992) shall be available for transfer to the State Audit Fund pursuant to subdivision (b) without regard to Provision 1 of that item.

(d) To ensure adequate oversight of the operations of the bureau, the Milton Marks Commission on California State Government Organization and Economy shall annually obtain the services of an independent public accountant to audit the State Audit Fund and the operation of the bureau to assure compliance with state law, including Section 8546. The results of this audit shall be submitted to the commission and shall be a public record.

(e) In order to ensure that audits of the Milton Marks Commission on California State Government Organization and Economy are conducted in conformity with government auditing standards, any audit of the commission that is required or permitted by law shall be conducted by the independent public accountant selected pursuant to subdivision (d).

8544.6. Expenditures of the Bureau of State Audits are defined as "administrative costs" defined in Section 11270.

8545. The State Auditor shall not destroy any papers or memoranda used to support a completed audit sooner than three years after the audit report is released to the public. All books, papers, records, and correspondence of the bureau pertaining to its work are public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 and shall be filed at any of the regularly maintained offices of the State Auditor, except that none of the following items or papers of which these items are a part shall be released to the public by the State Auditor, his or her employees, or members of the commission:

(a) Personal papers and correspondence of any person receiving assistance from the State Auditor when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn or upon the order of the State Auditor.

(b) Papers, correspondence, or memoranda pertaining to any audit or investigation not completed, when in the judgment of the State Auditor, disclosure of those papers, correspondence, or memoranda will impede the audit or investigation.

(c) Papers, correspondence, or memoranda pertaining to any audit or investigation that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit or investigation.

8545.1. It is a misdemeanor for the State Auditor or any employee or former employee of the bureau to divulge or make known in any manner not expressly permitted by law to any person not employed by the bureau any particulars of any record, document, or information the disclosure of which is restricted by law from release to the public. This prohibition is also applicable to any person or business entity that is contracting with or has contracted with the State Auditor and to the employees and former employees of that person or business entity or the employees of any state agency or public entity that has assisted the State Auditor in the course of any audit or investigative audit or that has been furnished a draft copy of any report for comment or review.

8545.2. (a) Notwithstanding any other provision of law, the State Auditor during regular business hours shall have access to and authority to examine and reproduce, any and all books, accounts, reports, vouchers, correspondence files, and other records, bank accounts, and money or other property, of any agency of the state, whether created by the California Constitution or otherwise, and any public entity, including any city, county, and school or special district for any audit or investigative audit. Any officer or employee of any agency or entity having these records or property in his or her possession or under his or her control shall permit access to, and examination and reproduction thereof, upon the request of the State Auditor or his or her authorized representative.

(b) For the purposes of access to and examination and reproduction of the records and property described in subdivision (a), an authorized representative of the State Auditor is an employee or officer of the agency or public entity involved and is subject to any limitations on release of the information as may apply to an employee or officer of the agency or public entity. For the purpose of conducting any audit or investigation, the State Auditor or his or her authorized representative shall have access to the records and property of any public entity being audited or investigated to the same extent that employees or officers of that agency or public entity have access. No provision of law providing for the confidentiality of any records or property shall prevent disclosure pursuant to subdivision (a), unless the provision specifically refers to and precludes access and examination and reproduction pursuant to subdivision (a). This subdivision does not apply to records compiled pursuant to Part 1 (commencing with Section 8900) or Part 2 (commencing with Section 10200) of Division 2.

(c) Any officer or person who fails or refuses to permit access and examination and reproduction, as required by this section, is guilty of a misdemeanor.

8545.3. It is a misdemeanor for the State Auditor or any employee

of the State Auditor to release any information received pursuant to Section 10850 of the Welfare and Institutions Code or that is otherwise prohibited by law to be disclosed.

8545.4. (a) In connection with any audit or investigative audit conducted by the State Auditor, the State Auditor or his or her designee, may do any of the following:

(1) Administer oaths.

(2) Certify to all official acts.

(3) Issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, or documents, or for the making of oral or written sworn statements, in any investigative interview conducted as part of an audit or investigative audit.

(b) Any subpoena issued under this section extends as process to all parts of the state and may be served by any person authorized to serve process of courts of record or by any person designated for that purpose by the State Auditor or his or her designee. The person serving this process may receive compensation as allowed by the State Auditor or his or her designee, not to exceed the fees prescribed by law for similar service.

8545.5. (a) The superior court in the county in which any investigative interview is held under the direction of the State Auditor or his or her designee has jurisdiction to compel the attendance of witnesses, the making of oral or written sworn statements, and the production of papers, books, accounts, and documents, as required by any subpoena issued by the State Auditor or his or her designee.

(b) If any witness refuses to attend or testify or produce any papers required by the subpoena, the State Auditor or his or her designee may petition the superior court in the county in which the hearing is pending for an order compelling the person to attend and answer questions under penalty of perjury or produce the papers required by the subpoena before the person named in the subpoena. The petition shall set forth all of the following:

(1) That due notice of the time and place of attendance of the person or the production of the papers has been given.

(2) That the person has been subpoenaed in the manner prescribed in Section 8545.4.

(3) That the person has failed and refused to attend or produce the papers required by subpoena before the State Auditor or his or her designee as named in the subpoena, or has refused to answer questions propounded to him or her in the course of the investigative interview under penalty of perjury.

(c) Upon the filing of the petition, the court shall enter an order directing the person to appear before the court at a specified time and place and then and there show cause why he or she has not attended, answered questions under penalty of perjury, or produced the papers as required. A copy of the order shall be served upon him or her. If it appears to the court that the subpoena was regularly issued by the State Auditor or his or her designee, the court shall

enter an order that the person appear before the person named in the subpoena at the time and place fixed in the order and answer questions under penalty of perjury or produce the required papers. Upon failure to obey the order, the person shall be dealt with as for contempt of court.

Article 2. Powers and Duties

8546. It is the intent of the Legislature that the Bureau of State Audits have the independence necessary to conduct all of its audits in conformity with "Government Auditing Standards" published by the Comptroller General of the United States and the standards published by the American Institute of Certified Public Accountants, free from influence of existing state control agencies that could be the subject of audits conducted by the bureau. Therefore, all of the following exclusions apply to the office:

(a) Notwithstanding Section 19790, the State Auditor shall establish an affirmative action program which shall meet the criteria and objectives established by the State Personnel Board and shall report annually to the State Personnel Board and the commission.

(b) Notwithstanding Section 12470, the State Auditor shall be responsible for maintaining its payroll system. In lieu of audits of the uniform payroll system performed by the Controller, the office shall contract pursuant to subdivision (d) of Section 8544.5 for an annual audit of its payroll and financial operations by an independent public accountant.

(c) The State Auditor is delegated the authority to establish and administer the fiscal policy of the bureau in conformity with the provisions of the State Administrative Manual without oversight by the Department of Finance.

(d) Notwithstanding Section 11032, the State Auditor may approve actual and necessary traveling expenses for travel outside the state for officers and employees of the bureau.

(e) Notwithstanding Section 11033, the State Auditor or officers and employees of the bureau may be absent from the state on business of the state upon approval of the State Auditor or Chief Deputy State Auditor.

(f) Sections 11040, 11042, and 11043 shall not apply to the Bureau of State Audits. The State Auditor may employ legal counsel under those terms that he or she deems necessary to conduct the legal business of, or render legal counsel to, the State Auditor.

(g) The provisions and definitions of Section 11342 shall not be construed to include the Bureau of State Audits. The State Auditor may adopt regulations necessary for the operation of the bureau pursuant to the provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Division 3), but these regulations shall not be subject to the review or approval of the Office of Administrative Law.

(h) The State Auditor shall be exempt from all contract

requirements of the Public Contract Code that require oversight, review, or approval by the Department of General Services or any other state agency. The State Auditor may contract on behalf of the State of California for goods and services that he or she deems necessary for the furtherance of the purposes of the bureau.

8546.1. The State Auditor shall conduct financial and performance audits as directed by statute. The State Auditor may conduct these audits of any state agency as defined by Section 11000, whether created by the California Constitution or otherwise, and any local governmental agency, including any city, county, and school or special district. However, the State Auditor shall not audit the activities of the Milton Marks Commission on California State Government Organization and Economy or the Legislature to assure compliance with government auditing standards.

The State Auditor shall conduct any audit of a state or local governmental agency that is requested by the Joint Legislative Audit Committee to the extent that funding is available and in accordance with the priority established by the committee with respect to other audits requested by the committee. Members of the Legislature may submit requests for audits to the committee for its consideration and approval. Any audit request approved by the committee shall be forwarded to the State Auditor as a committee request.

The State Auditor shall complete any audit in a timely manner and in accordance with the "Government Auditing Standards" published by the Comptroller General of the United States. Immediately upon completion of the audit, the State Auditor shall transmit a copy of the audit report to the commission. Not later than 24 hours after delivery to the commission, the commission shall deliver the report to the Legislature, appropriate committees or subcommittees of the Legislature, and the Governor. Once transmitted to these parties, the report shall be made available to the public.

8546.3. The State Auditor shall examine and report annually upon the financial statements otherwise prepared by the executive branch of the state to the end that the Legislature and the public will be informed as to the adequacy of those financial statements in compliance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year. In making that examination, he or she is authorized to make the audit examination of accounts and records, accounting procedures, and internal auditing performance as he or she may determine to be necessary to disclose all material facts necessary to proper reporting in accordance with the statement of purposes set forth in Section 8521.5.

8546.4. (a) The State Auditor shall annually issue an auditor's report based upon the general purpose financial statements included in the Controller's annual report that is submitted to the Governor pursuant to Section 12460. The auditor's report shall be in accordance with the "Government Auditing Standards" published by the Comptroller General of the United States and the standards

published by the American Institute of Certified Public Accountants.

(b) The State Auditor, in the performance of this annual audit, may examine all the financial records, accounts, and documents of any state agency as defined by Section 11000.

(c) The State Auditor shall rely, to the maximum extent possible, upon the audits performed by the Controller, the Department of Finance, internal auditors of state agencies, and independent contractors. The Director of Finance shall be responsible for coordinating and providing technical assistance to the internal auditors of state agencies. Nothing in this article is intended to reduce or restrict the operations of internal auditors whose review of internal financial and administrative controls of state agencies is essential for coordinated audits.

(d) State agencies receiving federal funds shall be primarily responsible for arranging for federally required financial and compliance audits. State agencies shall immediately notify the Director of Finance, the State Auditor, and the Controller when they are required to obtain federally required financial and compliance audits. The Director of Finance, the State Auditor, and the Controller shall coordinate the procurement by state agencies, including any negotiations with cognizant federal agencies, of federally required financial and compliance audits.

(e) To prevent duplication of the annual audit conducted by the State Auditor pursuant to subdivision (a), except for those state agencies that are required by state law to obtain an annual audit, no state agency shall enter into a contract for a financial or compliance audit without prior written approval of the Controller and the Director of Finance, which approval shall state the reason for the contract and shall be filed with the State Auditor at least 30 days prior to the award of the contract. No funds appropriated by the Legislature shall be encumbered for the purpose of funding any contract for an audit that duplicates the annual financial audit conducted by the State Auditor.

(f) Notwithstanding any other provision of this article, nothing in this section shall be construed to limit, restrict, or otherwise infringe upon the constitutional or statutory authority of the Controller to superintend the fiscal concerns of the state.

(g) Notwithstanding any other provision of this article, nothing in this section shall be construed to limit, restrict, or otherwise infringe upon the statutory authority of the Director of Finance to supervise the financial and business policies of the state.

8546.5. The Director of Finance, in coordinating the internal auditors of state agencies, shall ensure that these auditors utilize the "Standards for the Professional Practices of Internal Auditing." The State Auditor, in conjunction with the annual audit of state financial statements, shall test compliance with this section and report to the Legislature, the Governor, and respective governmental entities on the significant variances from the general and specific standards for the professional practice of internal auditing.

8546.6. The State Auditor, in connection with any audit or investigation conducted pursuant to this chapter, shall be deemed to be a department head for the purposes of Section 11189.

8546.7. Notwithstanding any other provision of law, every contract involving the expenditure of public funds in excess of ten thousand dollars ($10,000) entered into by any state agency, board, commission, or department or by any other public entity, including a city, county, city and county, or district, shall be subject to the examination and audit of the State Auditor, at the request of the public entity or as part of any audit of the public entity, for a period of three years after final payment under the contract. Every contract shall contain a provision stating that the contracting parties shall be subject to that examination and audit. The failure of a contract to contain this provision shall not preclude the State Auditor from conducting an examination and audit of the contract at the request of the public entity entering into the contract or as part of any audit of the public entity.

It is the intent of the Legislature that the Regents of the University of California include in contracts involving the expenditure of state funds in excess of ten thousand dollars ($10,000) a provision stating that the contracting parties shall be subject to the examination and audit of the State Auditor, at the request of the regents or as part of any audit of the university, for a period of three years after final payment under the contract.

The examinations and audits under this section shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the contract.

8546.8. Unless the contrary is stated or clearly appears from the context, any reference to the Auditor General, the Office of the Auditor General, or the Joint Legislative Audit Committee in any statute or contract in effect on the effective date of this chapter, other than Chapter 4 (commencing with Section 10500), with respect to the performance of audits, shall be construed to refer to the State Auditor, the Bureau of State Audits, and the Milton Marks Commission on California State Government Organization and Economy, respectively.

Article 3. Reporting of Improper Governmental Activities

8547. This article shall be known and may be cited as the "Reporting of Improper Governmental Activities Act."

8547.1. It is the intent of the Legislature that state employees and other persons should disclose, to the extent not expressly prohibited by law, improper governmental activities.

8547.2. For the purposes of this article:

(a) "Employee" means any individual appointed by the Governor or employed or holding office in a state agency as defined by Section 11000.

(b) "Improper governmental activity" means any activity by a

state agency or by an employee that is undertaken in the performance of the employee's official duties, whether or not that action is within the scope of his or her employment, and that (1) is in violation of any state or federal law or regulation, including, but not limited to, corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, or (2) is economically wasteful, or involves gross misconduct, incompetency, or inefficiency. For purposes of Sections 8547.4, 8547.5, 8547.10, and 8547.11, "improper governmental activity or activities" includes any activity by the University of California or by an employee, including an officer or faculty member, that otherwise meets the criteria of this subdivision.

(c) "Person" means any individual, corporation, trust, association, any state or local government, or any agency or instrumentality of any of the foregoing.

(d) "State agency" is defined by Section 11000. "State agency" includes the University of California for purposes of Sections 8547.5 to 8547.7, inclusive.

8547.3. (a) An employee may not directly or indirectly use or attempt to use the official authority or influence of the employee for the purpose of intimidating, threatening, coercing, commanding, or attempting to intimidate, threaten, coerce, or command any person for the purpose of interfering with the right of that person to disclose to the State Auditor matters within the scope of this article.

(b) For the purpose of subdivision (a), "use of official authority or influence" includes promising to confer, or conferring, any benefit; effecting, or threatening to effect, any reprisal; or taking, or directing others to take, or recommending, processing, or approving, any personnel action, including, but not limited to, appointment, promotion, transfer, assignment, performance evaluation, suspension, or other disciplinary action.

(c) Any employee who violates subdivision (a) may be liable in an action for civil damages brought against the employee by the offended party.

(d) Nothing in this section shall be construed to authorize an individual to disclose information otherwise prohibited by or under law.

8547.4. The State Auditor shall administer the provisions of this article and shall investigate and report on improper governmental activities.

8547.5. Upon receiving specific information that any employee or state agency has engaged in an improper governmental activity, the State Auditor may conduct an investigative audit of the matter. The identity of the person providing the information that initiated the investigative audit shall not be disclosed without the written permission of the person providing the information unless the disclosure is to a law enforcement agency that is conducting a criminal investigation.

8547.6. The State Auditor may request the assistance of any state department, agency, or employee in conducting any investigative audit required by this article. If an investigative audit conducted by the State Auditor involves access to confidential academic peer review records of University of California academic personnel, these records shall be provided in a form consistent with university policy effective on August 1, 1992. No information obtained from the State Auditor by any department, agency, or employee as a result of the State Auditor's request for assistance, nor any information obtained thereafter as a result of further investigation, shall be divulged or made known to any person without the prior approval of the State Auditor.

8547.7. (a) If the State Auditor determines that there is reasonable cause to believe that an employee or state agency has engaged in any improper governmental activity, he or she shall report the nature and details of the activity to the head of the employing agency, or the appropriate appointing authority. If appropriate, the State Auditor shall report this information to the Attorney General, the policy committees of the Senate and Assembly having jurisdiction over the subject involved, and to any other authority that the State Auditor determines appropriate.

(b) The State Auditor shall not have any enforcement power. In any case in which the State Auditor submits a report of alleged improper activity to the head of the employing agency or appropriate appointing authority, that individual shall report to the State Auditor with respect to any action taken by the individual regarding the activity, the first report being transmitted no later than 30 days after the date of the State Auditor's report and monthly thereafter until final action has been taken.

(c) Every investigative audit shall be kept confidential, except that the State Auditor may issue any report of an investigation that has been substantiated, keeping confidential the identity of the individual or individuals involved, or release any findings resulting from an investigation conducted pursuant to this article that is deemed necessary to serve the interests of the state.

(d) This section shall not limit any authority conferred upon the Attorney General or any other department or agency of government to investigate any matter.

8547.8. (a) A state employee or applicant for state employment who files a written complaint with his or her supervisor, manager, or the appointing power alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or similar improper acts prohibited by Section 8547.3, may also file a copy of the written complaint with the State Personnel Board, together with a sworn statement that the contents of the written complaint are true, or are believed by the affiant to be true, under penalty of perjury. The complaint filed with the board, shall be filed within 12 months of the most recent act of reprisal complained about.

(b) Any person who intentionally engages in acts of reprisal,

retaliation, threats, coercion, or similar acts against a state employee or applicant for state employment for having disclosed improper governmental activities, is subject to a fine not to exceed ten thousand dollars ($10,000) and imprisonment in the county jail for up to a period of one year. Any state civil service employee who intentionally engages in that conduct shall be disciplined by adverse action as provided by Section 19572. If no adverse action is instituted by the appointing power, the State Personnel Board shall invoke adverse action as provided in Section 19583.5.

(c) In addition to all other penalties provided by law, any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a state employee or applicant for state employment for having disclosed improper governmental activities shall be liable in an action for damages brought against him or her by the injured party. Punitive damages may be awarded by the court where the acts of the offending party are proven to be malicious. Where liability has been established, the injured party shall also be entitled to reasonable attorney's fees as provided by law. However, any action for damages shall not be available to the injured party unless the injured party has first filed a complaint with the State Personnel Board pursuant to subdivision (a) of this section, and the board has failed to reach a decision regarding any hearing conducted pursuant to Section 19683.

(d) This section is not intended to prevent an appointing power, manager, or supervisor from taking, directing others to take, recommending, or approving any personnel action or from taking or failing to take a personnel action with respect to any state employee or applicant for state employment if the appointing power, manager, or supervisor reasonably believes any action or inaction is justified on the basis of evidence separate and apart from the fact that the person has disclosed improper governmental activities as defined in subdivision (b) of Section 8547.2.

8547.9. Notwithstanding Section 19572, if the State Personnel Board determines that there is a reasonable basis for an alleged violation, or finds an actual violation of Section 8547.3 or 19683, it shall transmit a copy of the investigative report to the State Auditor. All working papers pertaining to the investigative report shall be made available under subpoena in a civil action brought under Section 19683.

8547.10. (a) A University of California employee, including an officer or faculty member, or applicant for employment may file a written complaint with his or her supervisor or manager, or with any other university officer designated for that purpose by the regents, alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or similar improper acts for having disclosed improper governmental activities, together with a sworn statement that the contents of the written complaint are true, or are believed by the affiant to be true, under penalty of perjury. The complaint shall be filed within 12 months of the most recent act of reprisal complained

about.

(b) Any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a University of California employee, including an officer or faculty member, or applicant for employment for having disclosed improper governmental activities, is subject to a fine not to exceed ten thousand dollars ($10,000) and imprisonment in the county jail for up to a period of one year. Any university employee, including an officer or faculty member, who intentionally engages in that conduct shall also be subject to discipline by the university.

(c) In addition to all other penalties provided by law, any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a university employee, including an officer or faculty member, or applicant for employment for having disclosed improper governmental activities shall be liable in an action for damages brought against him or her by the injured party. Punitive damages may be awarded by the court where the acts of the offending party are proven to be malicious. Where liability has been established, the injured party shall also be entitled to reasonable attorney's fees as provided by law. However, any action for damages shall not be available to the injured party unless the injured party has first filed a complaint with the university officer identified pursuant to subdivision (a), and the university has failed to reach a decision regarding that complaint within the time limits established for that purpose by the regents.

(d) This section is not intended to prevent a manager or supervisor from taking, directing others to take, recommending, or approving any personnel action or from taking or failing to take a personnel action with respect to any university employee, including an officer or faculty member, or applicant for employment if the manager or supervisor reasonably believes any action or inaction is justified on the basis of evidence separate and apart from the fact that the person has disclosed improper governmental activities.

8547.11. (a) A University of California employee, including an officer or faculty member, may not directly or indirectly use or attempt to use the official authority or influence of the employee for the purpose of intimidating, threatening, coercing, commanding, or attempting to intimidate, threaten, coerce, or command any person for the purpose of interfering with the right of that person to disclose to a University of California official, designated for that purpose by the regents, or the State Auditor matters within the scope of this article.

(b) For the purpose of subdivision (a), "use of official authority or influence" includes promising to confer, or conferring, any benefit; effecting, or threatening to effect, any reprisal; or taking or directing others to take, or recommending, processing, or approving, any personnel action, including, but not limited to, appointment, promotion, transfer, assignment, performance evaluation, suspension, or other disciplinary action.

(c) Any employee who violates subdivision (a) may be liable in an action for civil damages brought against the employee by the offended party.

(d) Nothing in this section shall be construed to authorize an individual to disclose information otherwise prohibited by or under law.

SEC. 9. Section 10500 of the Government Code is amended to read:

10500. It is the desire of the Legislature to create the Office of the Auditor General, whose primary duties shall be to perform performance audits as may be requested by the Legislature. The authority of the office under the direction of the Joint Legislative Audit Committee is confined to examining and reporting and is in no way to interfere with adequate internal audit to be conducted by the executive branch of the government or the state audit or other audits required by statute to be performed by the State Auditor.

The Legislature also finds that a significant portion of the state budget consists of subventions to local governments and, therefore, it is necessary for the Legislature to establish independent fiscal oversight capability necessary to determine funding priorities and to evaluate the efficiency and necessity of state-supported local programs and state programs administered by local governments.

SEC. 10. Section 10506.5 of the Government Code is repealed.

SEC. 11. Section 10507 of the Government Code is repealed.

SEC. 12. Section 10528 of the Government Code is amended to read:

10528. The Auditor General shall make special audits and investigations, including performance audits, of any state agency whether created by the California Constitution or otherwise, and any public entity, including any city, county, and special district which receives state funds, as requested by the Legislature or any committee of the Legislature.

SEC. 13. Section 10529 of the Government Code is repealed.

SEC. 14. Section 10532 of the Government Code is repealed.

SEC. 15. Section 10534 of the Government Code is repealed.

SEC. 16. Article 3 (commencing with Section 10540) of Chapter 4 of Part 2 of Division 2 of Title 2 of the Government Code is repealed.

SEC. 17. Section 13332.16 of the Government Code is amended to read:

13332.16. This article shall not apply to appropriations to the Legislature, the Legislative Counsel Bureau, the Bureau of State Audits, the California Commission on Uniform State Laws, or the California Law Revision Commission.

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 to establish the Bureau of State Audits as soon as possible

to ensure the timely completion of fiscal audits of state programs that are mandated by federal or state law, it is necessary for this act to take effect immediately.

CHAPTER 13

An act to amend Sections 77051, 77065, and 77129 of, and to add Section 77032.5 to, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 12, 1993. Filed with Secretary of State May 13, 1993.]

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

SECTION 1. Section 77032.5 is added to the Food and Agricultural Code, to read:

77032.5. "Producer-handler" means any person who is defined as a producer by Section 77032 and who has an affiliation, as determined by the commission, with a handler as defined by Section 77028.

SEC. 2. Section 77051 of the Food and Agricultural Code is amended to read:

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

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

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

SEC. 3. Section 77065 of the Food and Agricultural Code is amended to read:

77065. A quorum of the commission shall be eight voting members of the commission. Except as provided in Section 77027, a vote in favor of a motion by eight members present at a meeting shall constitute the act of the commission so long as those voting in favor include at least two members who are not affiliated with any

cooperative handling walnuts and three members who are affiliated with a cooperative handling walnuts.

SEC. 4. Section 77129 of the Food and Agricultural Code is amended to read:

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

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 create new positions on the California Walnut Commission before the 1993 elections are conducted, it is necessary that this act take effect immediately.

CHAPTER 14

An act to amend Section 46010.2 of, and to repeal and add Sections 2550.4 and 42238.8 of, the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1993. Filed with Secretary of State May 18, 1993.]

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

SECTION 1. Section 2550.4 of the Education Code is repealed.

SEC. 2. Section 2550.4 is added to the Education Code, to read:

2550.4. Commencing January 1, 1993, any county office of education may request the Superintendent of Public Instruction to make a one-time base revenue limit adjustment for the next fiscal year, provided that the request is made before April 15 preceding the fiscal year for which the adjustment is to be made, unless the Superintendent of Public Instruction approves a later request date. In response to each request, the Superintendent of Public Instruction, subject to the approval of the Director of Finance, shall make a one-time adjustment to the base revenue limit of each county office of education for those programs which, prior to the adjustment year, were authorized in subdivision (b) of Section 46010 and in Section 46010.5 to report certain absences for apportionment credit. Those one-time adjustments shall apply for the fiscal year for which the request for adjustment was made, and for each fiscal year thereafter, but not for any prior year, and shall be accomplished by revision of the prior fiscal year base revenue limits calculated for those programs, as follows:

(a) Determine revised base revenue limits for the fiscal year prior

to the first year of adjustment for each of the programs. Each revised base revenue limit shall equal funding received for the program for that prior fiscal year that is directly attributable to the original base revenue limit for that program, divided by the actual attendance for that program in that prior fiscal year.

(b) If the actual attendance as a percentage of the program's total apportionment attendance in that prior fiscal year is lower than the corresponding statewide average percentage in the 1990–91 school year for programs of the same type, the divisor shall be the product of the program's total apportionment attendance in the prior year, multiplied by the statewide average percentage of actual attendance for those programs in 1990–91.

SEC. 3. Section 42238.8 of the Education Code is repealed.

SEC. 4. Section 42238.8 is added to the Education Code, to read:

42238.8. Commencing January 1, 1993, any school district may request the Superintendent of Public Instruction to make a one-time base revenue limit adjustment for the next fiscal year, provided that the request is made before April 15 preceding the fiscal year for which the adjustment is to be made, unless the Superintendent of Public Instruction approves a later request date. In response to each request, the Superintendent of Public Instruction, subject to the approval of the Director of Finance, shall make a one-time adjustment to the base revenue limit of each school district. That one-time adjustment shall apply for the fiscal year for which the request for adjustment was made, and for each fiscal year thereafter, but not for any prior year, and shall be accomplished by revision of the prior fiscal year base revenue limit calculated for each school district, as follows:

(a) Determine a revised base revenue limit for the fiscal year prior to the first year of adjustment for each school district. That revised base revenue limit shall equal the amount of funding received by the school district for that prior fiscal year that is directly attributable to the original base revenue limit for the district, divided by the actual attendance for that district in that prior fiscal year.

(b) If the actual attendance as a percentage of the district's total apportionment attendance in that prior year is lower than the corresponding statewide average percentage for elementary school districts, high school districts, or unified school districts, as applicable to the requesting district, in the 1990–91 school year, the divisor shall be the product of the district's total apportionment attendance in the prior year, multiplied by the statewide average percentage of actual attendance for districts of the same type in 1990–91.

SEC. 5. Section 46010.2 of the Education Code is amended to read:

46010.2. In county offices of education and school districts that have had their base revenue limits adjusted pursuant to Section 2550.4 or 42238.8, respectively, the following shall apply:

(a) For the purpose of determining "changes in enrollment" pursuant to subdivision (b) of Section 8 of Article XVI of the

California Constitution, as required by subdivision (d) of Section 41204, the total days of attendance by pupils in schools and classes maintained by a county office of education or school district shall, in the initial fiscal year for which their one-time base revenue limit adjustment is made pursuant to Section 2550.4 or 42238.8, respectively, be separately calculated both as if subdivision (b) of Section 46010 did and did not apply to them. The amount resulting from the application of subdivision (b) of Section 46010 shall be used in comparison with the year prior to the initial year for which the one-time base revenue limit adjustment is made. The amount calculated without applying subdivision (b) of Section 46010 shall be used in comparison with the year subsequent to that initial fiscal year.

(b) For purposes other than determining base revenue limit apportionments and changes in enrollment as provided in subdivision (a), the total days of attendance by pupils in schools and classes maintained by a county office of education or school district shall first be calculated according to subdivision (a) of Section 46010, and then increased by the same percentage of apportionable absences authorized pursuant to subdivision (b) of Section 46010 for that county office of education or school district in the 1990–91 school year. This amount shall not exceed the corresponding statewide average in that year, for county offices of education or elementary school districts, high school districts, or unified school districts, as applicable, of the number of days of attendance by pupils in the 1990–91 school year, calculated as provided in subdivision (a) of Section 46010.

SEC. 6. Prior to forwarding to the Director of Finance any request made pursuant to Section 2550.4 or 42238.8 of the Education Code, the State Department of Education shall review and prepare findings regarding the potential impact of this act upon the equalization of funding between school districts and other issues related to revenue limit comparability. The department shall report the findings to the Director of Finance for his or her guidance in exercising approval authority granted to him or her in Sections 2550.4 and 42238.8 of the Education Code.

SEC. 7. For the purposes of Provision 23 of Item 6110-101-001 of Section 2 of Chapter 587 of the Statutes of 1992, "four calendar weeks" means 20 schooldays, not to exceed 14 calendar days after the last schoolday of the school year.

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

In order for school districts and county superintendents of schools to receive apportionments pursuant to Sections 2, 4, and 5 of this bill, it is necessary that this act take effect before June 30, 1993.

CHAPTER 15

An act to amend Section 4417 of the Public Resources Code, relating to fire protection, and making an appropriation therefor, to take effect immediately, usual current expenses.

[Approved by Governor May 21, 1993. Filed with Secretary of State May 21, 1993.]

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

SECTION 1. Section 4417 of the Public Resources Code is amended to read:

4417. (a) Except as provided in subdivision (b) or (c), a reward of up to ten thousand dollars ($10,000) shall be paid out of any state funds which are made available to the department for fire protection to any person, other than a regularly paid firefighter, peace officer, or agent or employee of the department, whose information leads to the arrest and conviction, or commitment to a public facility, of any person who willfully and maliciously sets fire to, or who attempts to willfully and maliciously set fire to, any property which is included within any state responsibility area as established under Article 3 (commencing with Section 4125) of Chapter 1.

(b) If the fire, or attempt to set a fire, results in death or great bodily injury to anyone, including fire protection personnel, a reward of up to twenty-five thousand dollars ($25,000) shall be paid.

(c) If the fire causes substantial structural damage, an enhanced reward of up to twenty-five thousand dollars ($25,000) shall be paid.

(d) The reward may be paid on the initiative of the department or upon application by any person qualifying therefor. One reward of up to ten thousand dollars ($10,000) shall be paid under subdivision (a), or twenty-five thousand dollars ($25,000) under subdivision (b), or twenty-five thousand dollars ($25,000) under subdivision (c), as the case may be, with respect to the same event or series of events involving the same defendant or defendants. If the department determines that more than one person is eligible for a reward arising out of information relating to the same event or series of events, the reward shall be divided among those persons, as determined by the department, taking into consideration the significance of the information contributed by each of those persons. The department may establish a program to preserve the anonymity of any person providing information and may pay a reward under that program.

(e) Rewards paid under this section shall be considered an emergency fire suppression and detection expenditure for budgeting purposes.

SEC. 2. (a) The sum of twenty million one hundred thousand dollars ($20,100,000) is hereby appropriated from the General Fund to the Department of Forestry and Fire Protection, for expenditure

in the 1992–93 fiscal year, in augmentation of, and for the purposes of, emergency fire suppression and detection costs and related emergency revegetation costs, as provided in Item 3540-006-001 of Section 2.00 of the Budget Act of 1992.

(b) The Director of Finance may withhold authorization for the 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. Section 2 of 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 16

An act to repeal Section 110 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor May 21, 1993. Filed with Secretary of State May 21, 1993.]

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

SECTION 1. Section 110 of the Welfare and Institutions Code is repealed.

CHAPTER 17

An act to add and repeal Section 5000.7 of the Education Code, relating to the Colton Joint Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 21, 1993. Filed with Secretary of State May 21, 1993.]

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

SECTION 1. Section 5000.7 is added to the Education Code, to read:

5000.7. (a) This section only applies to the election of members of the governing board of the Colton Joint Unified School District.

(b) Notwithstanding any other provision of law, of the three members elected to office in Trustee Area 2 at the election occurring on November 2, 1993, the two members receiving the highest and second highest number of votes shall serve until December 5, 1997. The member receiving the lowest number of votes of the three elected members from Trustee Area 2 shall serve a term expiring on December 1, 1995. The member elected to office in Trustee Area 3

at the election occurring on November 2, 1993, shall serve until December 5, 1997. All of these members shall continue in office until their successors are elected and qualified.

(c) Notwithstanding any other provision of law, of the two members holding offices in Trustee Area 1 at the election occurring on November 7, 1995, the member receiving the highest number of votes shall serve until December 3, 1999. The member receiving the lowest number of votes of the two elected members from Trustee Area 1 shall serve a term expiring on December 5, 1997. The member elected to office in Trustee Area 3 at the election occurring on November 7, 1995, shall serve until December 3, 1999. All of these members shall continue in office until their successors are elected and qualified.

(d) 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. 2. The Legislature finds and declares that due to unique circumstances regarding the Colton Joint Unified School District, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order to ensure continuity in the governing board of the Colton Joint Unified School District, it is necessary that this act take effect immediately.

CHAPTER 18

An act to amend Section 7103 of the Government Code, and to amend Sections 17052.15, 17053.10, 17233, 17266, 17276.2, 23612.6, 23625, 24356.4, 24385, and 24416.2 of, and to repeal, add, and repeal Sections 17053.17 and 23623.5 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor May 27, 1993. Filed with Secretary of State May 27, 1993.]

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

SECTION 1. Section 7103 of the Government Code is amended to read:

7103. This chapter shall remain in effect only until December 1, 1998, and as of that date is repealed.

SEC. 2. Section 17052.15 of the Revenue and Taxation Code is amended to read:

17052.15. (a) For each taxable year beginning on or after January

1, 1992, and before January 1, 1998, there shall be allowed a credit against the "net tax" (as defined by Section 17039) an amount, not to exceed the limitation in subdivision (f), that is equal to the sales or use tax paid or incurred by the taxpayer in connection with the purchase of qualified property.

(b) For purposes of this section:

(1) "Taxpayer" means a person or entity engaged in a trade or business within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(2) "Qualified property" means the purchase on or after May 1, 1992, of either or both of the following:

(A) Building materials to replace or repair the taxpayer's building and fixtures.

(B) Machinery or equipment, excluding inventory, to be used by the taxpayer exclusively in the Los Angeles Revitalization Zone.

(c) (1) In the case where a credit is allowed for qualified property under more than one section in this part, the taxpayer shall make an election, on the return filed for each year, as to which section applies to that taxpayer.

(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) In the case where the credit allowed under this section exceeds the limitation imposed by subdivision (f) for the taxable year, that portion of the credit that exceeds the limitation imposed by subdivision (f) may be carried over and added to this credit in succeeding taxable years for the number of taxable years in which the designation of a zone under Section 7102 of the Government Code is operative, or 15 taxable years, if longer, until the credit is used. The credit shall be applied first to the earliest taxable years possible.

(e) Any taxpayer who elects to be subject to this section shall not be entitled to increase the basis of the property as otherwise required by Section 164(a) of the Internal Revenue Code with respect to the sales and use tax paid or incurred in connection with the purchase of qualified property.

(f) The amount of the credit provided by this section, including any credit carryover from prior years, in any taxable year shall not exceed the amount of tax that would be imposed on the income attributable to business activities of the taxpayer within the Los Angeles Revitalization Zone (designated pursuant to Section 7102 of the Government Code) as if that attributable income represented all of the income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (d) for any taxable year after the Los Angeles Revitalization Zone designation has expired, the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributable income shall be determined in accordance with the provisions of Article 2

(commencing with Section 25120) of Chapter 17 of Part 11, modified as follows:

(1) For each taxable year beginning on or after January 1, 1992, and before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(2) The Los Angeles Revitalization Zone shall be substituted for "this state."

(g) If the qualified property is disposed of or no longer used by the taxpayer in the Los Angeles Revitalization Zone, at any time before the close of the second taxable year after the property is placed in service, the amount of the credit previously claimed shall be added to the taxpayer's tax liability in the taxable year of that disposition or nonuse.

(h) This section shall remain in effect only until December 1, 1998, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (d).

SEC. 3. Section 17053.10 of the Revenue and Taxation Code is amended to read:

17053.10. (a) For each taxable year beginning on or after January 1, 1992, and before January 1, 1998, there shall be allowed as credit against the "net tax" (as defined by Section 17039) an amount not to exceed the limitation in subdivision (g), that is equal to the sum of the following:

(1) One hundred percent of the qualified wages paid or incurred during the period from May 1, 1992, to the end of the sixth full month after the designation of the Los Angeles Revitalization Zone, with respect to qualified employees that are hired during that period.

(2) Seventy-five percent of the qualified wages paid or incurred during the period from the beginning of the seventh month after designation to the end of the 12th full month after designation, with respect to qualified employees that are hired during that period.

(3) Fifty percent of the qualified wages paid or incurred during the period from the beginning of the 13th month after designation to the end of the 60th full month after designation, with respect to qualified employees that are hired during that period.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer for construction work in the Los Angeles Revitalization Zone, as designated pursuant to Section 7102 of the Government Code, during the taxable year with respect to qualified employees. "Qualified wages" means that portion of hourly wages that does not exceed 150 percent of the minimum wage.

(2) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(3) "Qualified employee" means an individual to whom both of

the following apply:

(A) Is a resident, as defined in Section 7101 of the Government Code, in the Los Angeles Revitalization Zone, as defined in Section 7102 of the Government Code.

(B) Was hired by the taxpayer to perform construction work in the Los Angeles Revitalization Zone.

(4) "Los Angeles Revitalization Zone" means the area designated under Section 7102 of the Government Code.

(5) "Construction work" means any work performed by a qualified employee directly to the erection, demolition, repair, or renovation of a structure located within the Los Angeles Revitalization Zone.

(c) If an employer acquires the major portion of a trade or business of another employer (hereafter in this subdivision referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for the purposes of applying this section for any taxable year ending after the acquisition, the employment relationship between an employee and employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(d) The credit shall be reduced by the credits allowable under Sections 17053.7, 17053.8, 17053.11, and 17053.17 claimed for the same individual. The credit shall also be reduced by the credit allowed under Section 51 of the Internal Revenue Code for the same individual.

(e) Any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of credit.

(f) In the case where the credit allowed under this section exceeds the limitation imposed by subdivision (g) for the taxable year, that portion of the credit that exceeds the limitation imposed by subdivision (g) may be carried over and added to this credit in succeeding taxable years for the number of taxable years in which the designation of a zone under Section 7102 of the Government Code is operative, or 15 taxable years, if longer, until the credit is used. The credit shall be applied first to the earliest taxable years possible.

(g) The amount of the credit allowed by this section, including any credit carryover from prior years, in any taxable year shall not exceed the amount of tax that would be imposed on the income attributable to business activities of the taxpayer within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code) as if that attributable income represented all of the income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (f) for any taxable year after the Los Angeles Revitalization Zone designation has expired, the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributable income shall be determined in

accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified as follows:

(1) For each taxable year beginning on or after January 1, 1992, and before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(2) The Los Angeles Revitalization Zone shall be substituted for "this state."

(h) (1) If the employment of any employee, with respect to whom qualified wages are taken into account under subdivision (a) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount (determined under those regulations) equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable employment compensation provisions that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(vi) A termination of employment due to a contractual agreement.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(i) This section shall remain in effect only until December 1, 1998, and as of that date is repealed. However, any unused credit may

continue to be carried forward, as provided in subdivision (f).

SEC. 4. Section 17053.17 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 17053.17 is added to the Revenue and Taxation Code, to read:

17053.17. (a) For each taxable year beginning on or after January 1, 1992, and before January 1, 1998, there shall be allowed for hiring qualified disadvantaged individuals on or after May 1, 1992, a credit against the "net tax" (as defined by Section 17039) for the taxable year in an amount equal to the sum of each of the following:

(1) Fifty percent for qualified wages in the first year of employment.

(2) Forty percent for qualified wages in the second year of employment.

(3) Thirty percent for qualified wages in the third year of employment.

(4) Twenty percent for qualified wages in the fourth year of employment.

(5) Ten percent for qualified wages in the fifth year of employment.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer during the taxable year to qualified disadvantaged individuals. "Qualified wages" means that portion of hourly wages that does not exceed 150 percent of the minimum wage.

(2) "Qualified years one through five wages" means, with respect to any individual, qualified wages received during the 60-month period beginning with the day the individual commences employment within the Los Angeles Revitalization Zone.

(3) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(4) "Qualified disadvantaged individual" means an individual who is a resident in the Los Angeles Revitalization Zone.

(5) "Los Angeles Revitalization Zone" means the area designated under Section 7102 of the Government Code.

(6) "Resident" means a person residing in the Los Angeles Revitalization Zone pursuant to Section 7102 of the Government Code.

(7) "Qualified employee" means an individual that meets both of the following:

(A) At least 90 percent of whose services for the taxpayer during the taxable year are directly related to the conduct of the taxpayer's trade or business located in the Los Angeles Revitalization Zone.

(B) Who performs at least 50 percent of his or her services for the taxpayer during the taxable year in the Los Angeles Revitalization Zone.

(8) (A) All employees of trades or businesses, that are not

incorporated, that are under common control shall be treated as employed by a single employer.

(B) The credit, if any, allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the qualified wages giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles that apply in the case of controlled groups of corporations as specified in paragraph (8) of subdivision (b) of Section 23623.5.

(9) If an employer acquires the major portion of a trade or business of another employer (hereafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for the purposes of applying this section (other than subdivision (c)) for any calendar year ending after that acquisition, the employment relationship between an employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(c) (1) If the employment of any employee, with respect to whom qualified wages are taken into account under subdivision (a), is terminated by the taxpayer at any time during the first 270 days of that employment, whether or not consecutive, or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount, determined under those regulations, equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable employment compensation provisions that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as

terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(d) In the case of an estate or trust, both of the following apply:

(1) The qualified wages for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

(2) Any beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated, for purposes of this part, as the employer with respect to those wages.

(e) The credit shall be reduced by the credit allowed under Sections 17053.7, 17053.8, 17053.10, and 17053.11, claimed for the same individual. The credit shall also be reduced by the credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of the credit.

(f) In the case where the credit allowed under this section exceeds the limitation imposed by subdivision (g) for the taxable year, that portion of the credit that exceeds the limitation imposed by subdivision (g) may be carried over and added to this credit in succeeding taxable years while the designation of the Los Angeles Revitalization Zone under Section 7102 of the Government Code is operative or 15 taxable years, if longer, until the credit is used. The credit shall be applied first to the earliest taxable years possible.

(g) The amount of the credit allowed by this section, including any credit carryover from prior years, in any taxable year shall not exceed the amount of tax that would be imposed on the income attributed to business activities of the taxpayer within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code) as if that attributed income represented all of the income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (f) for any taxable year after the Los Angeles Revitalization Zone designation has expired, the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified for purposes of this section as follows:

(1) For each taxable year beginning on or after January 1, 1992, and ending on or before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(2) "The Los Angeles Revitalization Zone" shall be substituted for "this state."

(h) This section shall remain in effect only until December 1, 1998, and as of that date is repealed. However, any unused credit may continue to be carried forward, as specified in subdivision (g).

SEC. 6. Section 17233 of the Revenue and Taxation Code is amended to read:

17233. (a) There shall be allowed as a deduction the amount of net interest received by the taxpayer in payment of indebtedness incurred on or after May 1, 1992, of a person or entity engaged in trade or business located in the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code).

(b) No deduction shall be allowed under subdivision (a) unless at the time the indebtedness is incurred each of the following requirements are met:

(1) The trade or business is located solely within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code).

(2) The indebtedness is incurred solely in connection with activity within the Los Angeles Revitalization Zone.

(3) The taxpayer has no equity or other ownership interest in the debtor.

(c) This section shall remain in effect only until December 1, 1998, and as of that date is repealed.

SEC. 7. Section 17266 of the Revenue and Taxation Code is amended to read:

17266. (a) A taxpayer may elect to treat the cost of any Section 17266 property as an expense that is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the Section 17266 property is placed in service.

(b) (1) An election made under this section for any taxable year shall meet both of the following requirements:

(A) Specify the items of Section 17266 property to which the election applies and the cost of each of those items that 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.

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

(c) For purposes of this section:

(1) "Taxpayer" means a person or entity engaged in a trade or business within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(2) "Section 17266 property" means any recovery property that is Section 1245 property (as defined in Section 1245(a)(3) of the Internal Revenue Code) and that is acquired by purchase on or after September 1, 1992, for exclusive use in a trade or business conducted within the Los Angeles Revitalization Zone designated pursuant to

Section 7102 of the Government Code.

(3) "Purchase" means any acquisition of property, but only if both of the following apply:

(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 Sections 267(b) and 267(c) 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 in whole or in part by reference to the adjusted basis of the property in the hands of the person from whom acquired, or under Section 1014 of the Internal Revenue Code, relating to the basis of the property acquired from a decedent.

(d) For purposes of this section, the cost of the 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.

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

(f) This section shall not apply to any property described in Section 168(f) of the Internal Revenue Code, relating to property to which Section 168 of the Internal Revenue Code does not apply.

(g) This section shall apply only to property that is used exclusively in a trade or business conducted in the Los Angeles Revitalization Zone.

(h) Any amount deducted under subdivision (a) with respect to property that ceases to be used in a trade or business within the Los Angeles Revitalization Zone at any time before the close of the second taxable year after the property was placed in service shall be included in income in the taxable year in which the property ceases to be so used.

(i) This section shall remain in effect only until December 1, 1998, and as of that date is repealed.

SEC. 8. Section 17276.2 of the Revenue and Taxation Code is amended to read:

17276.2. The term "qualified taxpayer" as used in Section 17276.1 means any 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, modified for purposes of this section as follows:

(i) For each taxable year beginning on or after January 1, 1991, and ending on or before December 31, 1996, loss shall be apportioned to the program area by multiplying total loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The program area" shall be substituted for "this state."

(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, modified for purposes of this section as follows:

(i) For each taxable year beginning on or after January 1, 1991, and ending on or before December 31, 1996, income shall be apportioned to the program area by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The program area" shall be substituted for "this state."

(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, modified for purposes of this section as follows:

(i) For each taxable year beginning on or after January 1, 1991, and ending on or before December 31, 1996, loss shall be apportioned to the enterprise zone by multiplying total loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The enterprise zone" shall be substituted for "this state."

(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, modified for purposes of this section as follows:

(i) For each taxable year beginning on or after January 1, 1991, and ending on or before December 31, 1996, income shall be apportioned to the enterprise zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The enterprise zone" shall be substituted for "this state."

(c) A taxpayer engaged in the conduct of a trade or business within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(1) A net operating loss shall not be a net operating loss carryback for any taxable year, and a net operating loss for any taxable year beginning on or after the date the area in which the taxpayer conducts a trade or business is designated the Los Angeles Revitalization 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 Los Angeles Revitalization Zone under Section 7102 of the Government Code or to each of the 15 taxable years following the taxable year of loss, if longer.

(2) For the 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 Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code). The attributable loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified as follows:

(i) For each taxable year beginning on or after January 1, 1992 and ending before January 1, 1998, loss shall be apportioned to the Los Angeles Revitalization Zone by multiplying total loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The Los Angeles Revitalization Zone" shall be substituted for "this state."

(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 Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified as follows:

(i) For each taxable year beginning on or after January 1, 1992, and before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor

plus the payroll factor, and the denominator of which is 2.

(ii) "The Los Angeles Revitalization Zone" shall be substituted for "this state."

(3) This subdivision shall cease to be operative on December 1, 1998. However, any unused net operating loss may continue to be carried over to each of the 15 taxable years following the taxable year of loss until the net operating loss has been used.

(d) 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 subdivision (e).

(e) 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 designate which subdivision of this section is to apply to the taxpayer.

(f) Notwithstanding the provisions of Section 17276, the amount of the loss determined under this section shall be the only net operating loss allowed to be carried over from that taxable year and the designation under subdivision (d) shall be included in the election under Section 17276.1.

SEC. 9. Section 23612.6 of the Revenue and Taxation Code is amended to read:

23612.6. (a) For each income year beginning on or after January 1, 1992 and before January 1, 1998, there shall be allowed a credit against the "tax" (as defined by Section 23036) for the income year an amount, not to exceed the limitation of subdivision (g), but otherwise equal to the sales or use tax paid or incurred by the taxpayer in connection with the purchase of qualified property.

(b) For purposes of this section:

(1) "Taxpayer" means a bank or corporation engaged in a trade or business within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(2) "Qualified property" means the purchase on or after May 1, 1992, of either or both of the following:

(A) Building materials to replace or repair the taxpayer's building and fixtures.

(B) Machinery or equipment, excluding inventory, to be used by the taxpayer exclusively in the Los Angeles Revitalization Zone.

(c) (1) In the case where a credit is allowed for qualified property under more than one section in this part, the taxpayer shall make an election, on the return filed for each year, as to which section applies to that taxpayer.

(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) In the case where the credit allowed under this section exceeds the limitation imposed by subdivision (f) for the income year, that portion of the credit that exceeds the limitation imposed by subdivision (f) may be carried over and added to this credit in succeeding income years for the number of income years in which the designation of a zone under Section 7102 of the Government Code is operative, or 15 taxable years, if longer, until the credit is used. The credit shall be applied first to the earliest income year possible.

(e) Any taxpayer who elects to be subject to this section shall not be entitled to increase the basis of the property as otherwise required by Section 164(a) of the Internal Revenue Code with respect to the sales and use tax paid or incurred in connection with the purchase of qualified property.

(f) The amount of the credit provided by this section, including any credit carryover from prior years, in any taxable year shall not exceed the amount of tax which would be imposed on the income attributable to business activities of the taxpayer within the Los Angeles Revitalization Zone (designated pursuant to Section 7102 of the Government Code) as if that attributable income represented all of the income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (d) for any income year after the Los Angeles Revitalization Zone designation has expired, the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributable income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17, modified as follows:

(1) For each income year beginning on or after January 1, 1992 and before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(2) The Los Angeles Revitalization Zone shall be substituted for "this state."

(g) If the qualified property is disposed of or no longer used by the taxpayer in the Los Angeles Revitalization Zone, at any time before the close of the second income year after the property is placed in service, the amount of the credit previously claimed shall be added to the taxpayer's tax liability in the income year of that disposition or nonuse.

(h) This section shall remain in effect only until December 1, 1998, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (d).

SEC. 10. Section 23623.5 of the Revenue and Taxation Code is repealed.

SEC. 11. Section 23623.5 is added to the Revenue and Taxation Code, to read:

23623.5. (a) For each income year beginning on or after January

1, 1992, and before January 1, 1998, there shall be allowed for hiring qualified disadvantaged individuals on or after May 1, 1992, a credit against the "tax" (as defined by Section 23036) in an amount equal to the sum of each of the following:

(1) Fifty percent for qualified wages in the first year of employment.

(2) Forty percent for qualified wages in the second year of employment.

(3) Thirty percent for qualified wages in the third year of employment.

(4) Twenty percent for qualified wages in the fourth year of employment.

(5) Ten percent for qualified wages in the fifth year of employment.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer during the income year to qualified disadvantaged individuals. "Qualified wages" means that portion of hourly wages that does not exceed 150 percent of the minimum wage.

(2) "Qualified years one through five wages" means, with respect to any individual, qualified wages received during the 60-month period beginning with the day the individual commences employment within the Los Angeles Revitalization Zone.

(3) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(4) "Qualified disadvantaged individual" means an individual who is a resident in the Los Angeles Revitalization Zone.

(5) "Los Angeles Revitalization Zone" means the area designated under Section 7102 of the Government Code.

(6) "Resident" means a person residing in the Los Angeles Revitalization Zone pursuant to Section 7102 of the Government Code.

(7) For purposes of this section, "qualified employee" means an individual that meets both of the following:

(A) At least 90 percent of whose services for the taxpayer during the taxable year are directly related to the conduct of the taxpayer's trade or business located in the Los Angeles Revitalization Zone.

(B) Who performs at least 50 percent of his or her services for the taxpayer during the income year in the Los Angeles Revitalization Zone.

(8) (A) All employees of all corporations that are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit, if any, allowable by this section to each member shall be determined by reference to its proportionate share of the qualified wages giving rise to the credit. For purposes of this subdivision, "controlled group of corporations" has the meaning given to that term by Section 1563 (a) of the Internal

Revenue Code, except that:

(i) "More than 50 percent" shall be substituted for "at least 80 percent" each place it appears in Section 1563(a)(1) of the Internal Revenue Code.

(ii) The determination shall be made without regard to Sections 1563(a)(4) and 1563(e)(3)(C) of the Internal Revenue Code.

(B) If an employer acquires the major portion of a trade or business of another employer (hereafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for the purposes of applying this section (other than subdivision (c)) for any calendar year ending after that acquisition, the employment relationship between an employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(c) (1) If the employment of any employee, with respect to whom qualified wages are taken into account under subdivision (a), is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the income year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable employment compensation provisions that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by either of the following:

(i) By a transaction to which Section 381(a) of the Internal Revenue Code applies, if the employee continues to be employed by

the acquiring corporation.

(ii) By reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(d) In the case of an organization to which Section 593 of the Internal Revenue Code applies, and a regulated investment company or a real estate investment trust subject to taxation under this part, rules similar to the rules provided in Sections 46(e) and 46(h) of the Internal Revenue Code shall apply.

(e) The credit shall be reduced by the credit allowed under Sections 23621, 23622, 23623, and 23625, claimed for the same individual. The credit shall also be reduced by the credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of the credit.

(f) In the case where the credit allowed under this section exceeds the limitation imposed by subdivision (g) for the income year, that portion of the credit that exceeds the limitation imposed by subdivision (g) may be carried over and added to this credit in succeeding income years while the designation of the Los Angeles Revitalization Zone under Section 7102 of the Government Code is operative or 15 income years, if longer, until the credit is used. The credit shall be applied first to the earliest income years possible.

(g) The amount of the credit allowed by this section, including any credit carryover from prior years, in any income year shall not exceed the amount of tax that would be imposed on the income attributed to business activities of the taxpayer within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code). In the event that a credit carryover is allowable under subdivision (f) for any income year after the Los Angeles Revitalization Zone designation has expired, the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17, modified for purposes of this section as follows:

(1) For each income year beginning on or after January 1, 1992, and ending on or before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(2) "The Los Angeles Revitalization Zone" shall be substituted for "this state."

(h) This section shall remain in effect only until December 1, 1998, and as of that date is repealed. However, any unused credit may continue to be carried forward, as specified in subdivision (g).

SEC. 12. Section 23625 of the Revenue and Taxation Code is amended to read:

23625. (a) For each income year beginning on or after January 1, 1992, and before January 1, 1998, there shall be allowed as credit against the "tax" (as defined by Section 23036) an amount, not to exceed the limitation in subdivision (g), that is equal to the sum of the following:

(1) One hundred percent of the qualified wages paid or incurred during the period from May 1, 1992, to the end of the sixth full month after the designation of the Los Angeles Revitalization Zone with respect to qualified employees that are hired during that period.

(2) Seventy-five percent of the qualified wages paid or incurred during the period from the beginning of the seventh month after designation to the end of the 12th full month after designation with respect to qualified employees that are hired during that period.

(3) Fifty percent of the qualified wages paid or incurred during the period from the beginning of the 13th month after designation to the end of the 60th full month after designation with respect to qualified employees that are hired during that period.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer for construction work in the Los Angeles Revitalization Zone, as designated pursuant to Section 7102 of the Government Code, during the income year with respect to qualified employees. "Qualified wages" means that portion of hourly wages which does not exceed 150 percent of the minimum wage.

(2) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(3) "Qualified employee" means an individual to whom both of the following apply:

(A) Is a resident in the Los Angeles Revitalization Zone, as defined in Section 7101 of the Government Code.

(B) Was hired by the taxpayer to perform construction work in the Los Angeles Revitalization Zone, as defined in Section 7102 of the Government Code.

(4) "Los Angeles Revitalization Zone" means the area designated under Section 7102 of the Government Code.

(5) "Construction work" means any work performed by a qualified employee directly related to the erection, demolition, repair, or renovation of a structure located within the Los Angeles Revitalization Zone.

(c) If an employer acquires the major portion of a trade or business of another employer (hereafter in this subdivision referred to as the "predecessor") or the major portion of a separate unit of a

trade or business of a predecessor, then, for the purposes of applying this section for any income year ending after the acquisition, the employment relationship between an employee and employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(d) The credit shall be reduced by the credits allowable under Sections 23621 to 23623.5, inclusive, claimed for the same individual. The credit shall also be reduced by the credit allowed under Section 51 of the Internal Revenue Code for the same individual.

(e) Any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of credit.

(f) In the case where the credit allowed under this section exceeds the limitation imposed by subdivision (g) for the income year, that portion of the credit that exceeds the limitation imposed by subdivision (g) may be carried over and added to this credit in succeeding income years for the number of income years in which the designation of a zone under Section 7102 of the Government Code is operative, or 15 taxable years, if longer, until the credit is used. The credit shall be applied first to the earliest income year possible.

(g) The amount of the credit allowed by this section, including any credit carryover from prior years, in any income year shall not exceed the amount of tax that would be imposed on the income attributable to business activities of the taxpayer within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code) as if that attributable income represented all of the income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (f) for any income year after the Los Angeles Revitalization Zone designation has expired, the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributable income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified as follows:

(1) For each income year beginning on or after January 1, 1992, and before January 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(2) The Los Angeles Revitalization Zone shall be substituted for "this state."

(h) (1) If the employment of any employee, with respect to whom qualified wages are taken into account under subdivision (a) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the income year in which that employment is

terminated shall be increased by an amount (determined under those regulations) equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable employment compensation provisions that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(vi) A termination of employment due to a contractual agreement.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(i) This section shall remain in effect only until December 1, 1998, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (f).

SEC. 13. Section 24356.4 of the Revenue and Taxation Code is amended to read:

24356.4. (a) A taxpayer may elect to treat the cost of any Section 24356.4 property as an expense that is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the income year in which the Section 24356.4 property is placed in service.

(b) (1) An election made under this section for any income year shall meet both of the following requirements:

(A) Specify the items of Section 24356.4 property to which the election applies and the cost of each of those items that 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 income year.

(2) Any election made under this section, and any specifications

contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(c) For purposes of this section:

(1) "Taxpayer" means a person or entity engaged in a trade or business within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(2) "Section 24356.4 property" means any recovery property that is Section 1245 property (as defined in Section 1245(a)(3) of the Internal Revenue Code) and that is acquired by purchase on or after September 1, 1992, for exclusive use in a trade or business conducted within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(3) "Purchase" means any acquisition of property, but only if all of the following apply:

(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 Sections 267(b) and 267(c) of the Internal Revenue Code, 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 property is not acquired by one member of an affiliated group from another member of the same affiliated group.

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

(d) This section shall not apply to any property described in Section 168(f) of the Internal Revenue Code, relating to property to which Section 168 of the Internal Revenue Code does not apply.

(e) This section shall apply only to property that is used exclusively in a trade or business conducted in the Los Angeles Revitalization Zone.

(f) Any amount deducted under subdivision (a) with respect to property that ceases to be used in a trade or business within the Los Angeles Revitalization Zone at any time before the close of the second income year after the property was placed in service shall be included in income in the income year in which property ceases to be so used.

(g) This section shall remain in effect only until December 1, 1998, and as of that date is repealed.

SEC. 14. Section 24385 of the Revenue and Taxation Code is amended to read:

24385. (a) There shall be allowed as a deduction the amount of net interest received by the taxpayer in payment of indebtedness incurred on or after May 1, 1992, of a person or entity engaged in trade or business located in the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code).

(b) No deduction shall be allowed under subdivision (a) unless at

the time the indebtedness is incurred each of the following requirements are met:

(1) The trade or business is located solely within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code).

(2) The indebtedness is incurred solely in connection with activity within the Los Angeles Revitalization Zone.

(3) The taxpayer has no equity or other ownership interest in the debtor.

(c) This section shall remain in effect only until December 1, 1998, and as of that date is repealed.

SEC. 15. Section 24416.2 of the Revenue and Taxation Code is amended to read:

24416.2. The term "qualified taxpayer" as used in Section 24416.1 means any 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 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 of Part 11, modified for purposes of this section as follows:

(i) For each income year beginning on or after January 1, 1991, and ending on or before December 31, 1996, loss shall be apportioned to the program area by multiplying total loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The program area" shall be substituted for "this state."

(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, modified for purposes of this section as follows:

(i) For income years beginning on or after January 1, 1991, and ending on or before December 31, 1996, income shall be apportioned to the program area by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The program area" shall be substituted for "this state."

(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 (b) of Section 24416.1 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 of Part 11, modified for purposes of this section as follows:

(i) For each income year beginning on or after January 1, 1991, and ending on or before December 31, 1996, loss shall be apportioned to the enterprise zone by multiplying total loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The enterprise zone" shall be substituted for "this state."

(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, modified for purposes of this section as follows:

(i) For each income year beginning on or after January 1, 1991, and ending on or before December 31, 1996, income shall be apportioned to the enterprise zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The enterprise zone" shall be substituted for "this state."

(c) A taxpayer engaged in the conduct of a trade or business within the Los Angeles Revitalization Zone designated pursuant to Section 7102 of the Government Code.

(1) (A) A net operating loss shall not be a net operating loss carryback for any income year and, except as provided in

subparagraph (B), a net operating loss for any income year beginning on or after the date the area in which the taxpayer conducts a trade or business is designated the Los Angeles Revitalization 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 Los Angeles Revitalization Zone under Section 7102 of the Government Code or to each of the 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 years following the income year of the loss. Subdivision (b) of Section 24416.1 shall not apply.

(2) For the 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 Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code). The attributable loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17, modified as follows:

(i) The loss shall be apportioned to the Los Angeles Revitalization Zone by multiplying the loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The Los Angeles Revitalization Zone" shall be substituted for "this state."

(B) A net operating loss carryover shall be a deduction only with respect to income attributable to the business activities of the taxpayer within the Los Angeles Revitalization Zone (as defined in Section 7102 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified as follows:

(i) For each income year beginning on or after January 1, 1992, and before December 1, 1998, income shall be apportioned to the Los Angeles Revitalization Zone by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The Los Angeles Revitalization Zone" shall be substituted for "this state."

(3) This subdivision shall cease to be operative on December 1, 1998. However, any unused net operating loss may continue to be carried over to each of the 15 income years following the income year of loss until the net operating loss has been used and the Los Angeles Revitalization Zone shall be deemed to remain in existence for purposes of computing the deduction allowed under subparagraph (B) of paragraph (2) of subdivision (c).

(d) 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 subdivision (e).

(e) 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 designate which subdivision of this section is to apply to the taxpayer.

(f) Notwithstanding the provisions of Section 24416, the amount of the loss determined under Section 24416.1 shall be the only net operating loss allowed to be carried over from that income year and the designation under subdivision (d) shall be included in the election under Section 24416.1.

SEC. 16. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, this act is intended to correct and further define those provisions of law set forth in Chapter 17 of the 1991–92 First Extraordinary Session of the Legislature, and shall be applicable with respect to taxable and income years beginning on or after January 1, 1992.

CHAPTER 19

An act to amend Section 2802 of the Vehicle Code, relating to vehicles.

[Approved by Governor May 27, 1993. Filed with Secretary of State May 27, 1993.]

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

SECTION 1. Section 2802 of the Vehicle Code is amended to read:

2802. (a) Any traffic officer having reason to believe that a vehicle is not safely loaded or that the height, width, length, or weight of a vehicle and load is unlawful may require the driver to stop and submit to an inspection, measurement, or weighing of the vehicle. The weighing may be done either by means of portable or stationary scales and the officer may require that the vehicle be driven to the nearest scale facility, in the event the scales are within five road miles.

(b) Selected inspection facilities and platform scales operated by the Department of the California Highway Patrol may, at the discretion of the commissioner, be open for extended hours, up to and including 24 hours every day. The primary purpose of the

extended hours is to assist in the detection of overweight vehicles. These inspection facilities and platform scales shall be located near primary border route points of entry into the state and key routes within the state.

(c) An amount not to exceed one million dollars ($1,000,000) shall be available annually from the Motor Vehicle Account in the State Transportation Fund, upon appropriation by the Legislature, for the expanded operation of the scale facilities, as specified in subdivision (b). It is the intent of the Legislature that the funds made available pursuant to this subdivision shall be the only funds available for purposes of this section.

CHAPTER 20

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

[Approved by Governor May 27, 1993. Filed with Secretary of State May 27, 1993.]

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

SECTION 1. (a) Notwithstanding Section 54902, 54902.1, or 54903 of the Government Code, any improvement district formed under Section 97-21 of the Mojave Water Agency Law (Section 97-1 et seq., Water Code App.) for the purpose of incurring bonded indebtedness, the formation of which was completed prior to 1991, shall be effective for assessment and taxation purposes for the 1993–94 fiscal year if the statement and map or plat required by Section 54900 of the Government Code are filed with the assessor and the State Board of Equalization on or before June 30, 1993.

(b) This section shall become inoperative on July 1, 1993. This section shall remain in effect only until January 1, 1994, and as of that date is repealed. The inoperative date and repeal of this section shall not be construed to deprive any district of any substantial right that would have existed had the inoperative date and repeal not been effected.

SEC. 2. (a) Notwithstanding Section 54902, 54902.1, or 54903 of the Government Code, the Gledhill Landscape and Lighting District, approved at an advisory election in Yuba County in November 1992, and formed by the Yuba County Board of Supervisors in December 1992, shall be effective for assessment and taxation purposes for the 1993–94 fiscal year if the statement and map or plat required by Section 54900 of the Government Code are filed with the assessor and the State Board of Equalization on or before June 30, 1993.

(b) This section shall become inoperative on July 1, 1993. This section shall remain in effect only until January 1, 1994, and as of that

date is repealed. The inoperative date and repeal of this section shall not be construed to deprive any district of any substantial right that would have existed had the inoperative date and repeal not been effected.

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:

An improvement district that was formed prior to 1991 has issued bonds for the benefit of the improvement district following a bond election in June 1990. Unless this act takes effect immediately, the improvement district will not be able to levy a tax for the payment of the principal of and interest due on the bonds in the 1993–94 fiscal year. In addition, unless this act takes effect immediately, a landscape and lighting district will not be able to levy taxes to fund its operations for the 1993–94 fiscal year.

CHAPTER 21

An act to amend Section 1355 of the Civil Code, relating to common interest developments.

[Approved by Governor May 27, 1993. Filed with Secretary of State May 27, 1993.]

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

SECTION 1. Section 1355 of the Civil Code is amended to read:

1355. (a) The declaration may be amended pursuant to the governing documents or this title. Except as provided in Section 1356, an amendment is effective after (1) the approval of the percentage of owners required by the governing documents has been given, (2) that fact has been certified in a writing executed and acknowledged by the officer designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association, and (3) that writing has been recorded in each county in which a portion of the common interest development is located.

(b) Except to the extent that a declaration provides by its express terms that it is not amendable, in whole or in part, a declaration which fails to include provisions permitting its amendment at all times during its existence may be amended at any time. For purposes of this subdivision, an amendment is only effective after (1) the proposed amendment has been distributed to all of the owners of separate interests in the common interest development by first-class mail postage prepaid or personal delivery not less than 15 days and not more than 60 days prior to any approval being solicited; (2) the approval of owners representing more than 50 percent, or any higher

percentage required by the declaration for the approval of an amendment to the declaration, of the separate interests in the common interest development has been given, and that fact has been certified in a writing, executed and acknowledged by an officer of the association; and (3) the amendment has been recorded in each county in which a portion of the common interest development is located. A copy of any amendment adopted pursuant to this subdivision shall be distributed by first-class mail postage prepaid or personal delivery to all of the owners of separate interest immediately upon its recordation.

CHAPTER 22

An act to amend Section 12022.9 of the Penal Code, relating to firearms, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1993. Filed with Secretary of State June 2, 1993.]

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

SECTION 1. Section 12022.9 of the Penal Code is amended to read:

12022.9. (a) Any person who, during the commission or attempted commission of a felony, knows or reasonably should know that the victim is pregnant, and who, with intent to inflict injury, and without the consent of the woman, personally inflicts injury upon a pregnant woman that results in the termination of the pregnancy shall, in addition and consecutive to the punishment prescribed by the felony or attempted felony of which the person has been convicted, be punished by an additional term of five years in the state prison. The additional term provided in this subdivision shall not be imposed unless the fact of that injury is charged in the accusatory pleading and admitted or found to be true by the trier of fact.

Nothing in this subdivision shall be construed as affecting the applicability of subdivision (a) of Section 187 of the Penal Code.

(b) (1) Any person convicted of a violation of subdivision (c) of Section 12034 shall, in addition and consecutive to the punishment for that violation, be punished by an additional term of four years, if as a result of the defendant personally and willfully and maliciously discharging the firearm, the victim suffers paralysis or paraparesis of a major body part, including, but not limited to, the entire hand or foot.

(2) Any person convicted of a violation of Section 246 shall, in addition and consecutive to the punishment for that violation, be punished by an additional term of four years, if as a result of the defendant personally and willfully and maliciously discharging the

firearm at an occupied motor vehicle from another motor vehicle, the victim suffers paralysis or paraparesis of a major body part, including, but not limited to, the entire hand or foot.

(3) For purposes of this subdivision:

(A) "Paralysis" means a major or complete loss of motor function resulting from injury to the nervous system or to a muscular mechanism.

(B) "Paraparesis" means a significant weakness of a major body part, including, but not limited to, the entire hand or foot, causing the extremity to be functionally impaired and rendered useless to assist with one of the basic skills in life such as eating or walking.

(C) The additional term provided in this section shall not be imposed unless the fact of the injury is charged in an accusatory pleading and admitted or found to be true by the trier of fact.

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

In order to clarify as soon as possible the circumstances under which a four-year state prison enhancement would apply to a person convicted of an offense related to discharging a firearm from a motor vehicle, it is necessary that this act take effect immediately.

CHAPTER 23

An act to amend Section 45207 of the Education Code, relating to classified school employees.

[Approved by Governor June 2, 1993. Filed with Secretary of State June 2, 1993.]

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

SECTION 1. Section 45207 of the Education Code is amended to read:

45207. Any days of absence for illness or injury earned pursuant to Section 45191, may be used by the probationary or permanent employee, at his or her election, in cases of personal necessity, including any of the following:

(a) Death of a member of his or her immediate family when additional leave is required beyond that provided in Section 45194 and that provided, in addition thereto, as a right by the governing board.

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

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

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

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

Immediate family has the same meaning as provided in Section 45194.

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

This section shall also apply to school districts that may be exempted from the provisions of Section 45191. Authorized necessity leave shall be deducted from sick leave earned under the provisions of the exemption of Section 45191.

CHAPTER 24

An act to add Section 31537 to the Government Code, relating to public retirement systems.

[Approved by Governor June 9, 1993. Filed with Secretary of State June 10, 1993.]

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

SECTION 1. Section 31537 is added to the Government Code, to read:

31537. The board may establish efficient records management procedures, which may include, but need not be limited to, maintenance and, when determined by the board to be necessary, disposal of records in its jurisdiction.

CHAPTER 25

An act to amend Section 31627 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor June 9, 1993. Filed with Secretary of State June 10, 1993.]

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

SECTION 1. Section 31627 of the Government Code is amended to read:

31627. Subject to the regulations prescribed by the board, any

member may elect to make additional contributions at rates in excess of his or her normal contributions, for the purpose of providing additional benefits. The exercise of this privilege by a member does not require the county or district to make any additional contributions. Upon application, the board shall furnish to the member information concerning the nature and amount of additional benefits to be obtained by the additional contributions.

CHAPTER 26

An act to amend Section 8870.3 of the Government Code, relating to the Seismic Safety Commission.

[Approved by Governor June 9, 1993. Filed with Secretary of State June 10, 1993.]

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

SECTION 1. Section 8870.3 of the Government Code is amended to read:

8870.3. (a) After the initial appointments, the membership of the Seismic Safety Commission shall be appointed by the Governor and confirmed by the Senate from lists of nominees submitted by organizations as listed below:

(1) Four members appointed from established organizations in the fields of architecture and planning, fire protection, public utilities, and electrical engineering and mechanical engineering.

(2) Four members appointed from established organizations in the fields of structural engineering, soils engineering, geology, and seismology.

(3) Four members appointed from nominees submitted by the League of California Cities and the California State Association of Counties. One of these members shall be a building official.

(4) Three members appointed from established organizations in the fields of insurance, social service, and emergency services.

(b) One member shall be appointed from the Senate by the Senate Rules Committee, and one member shall be appointed from the Assembly by the Speaker of the Assembly. Each of the members appointed pursuant to this subdivision may designate an alternate who shall be counted toward a quorum, who may vote, and who may receive the expenses specified in Section 8870.4.

SEC. 2. The amendments made by this act shall not prohibit any member of the seismic safety commission, as of January 1, 1994, from completing the term for which he or she was appointed.

CHAPTER 27

An act to amend Section 25555.5 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 9, 1993. Filed with Secretary of State June 10, 1993.]

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

SECTION 1. Section 25555.5 of the Revenue and Taxation Code is amended to read:

25555.5. (a) All payments required under this part regardless of the income year to which the payments apply shall be remitted in U.S. funds to the Franchise Tax Board by electronic funds transfer pursuant to Division 11 (commencing with Section 11101) of the Commercial Code, once any of the following conditions is met with respect to any taxpayer:

(1) The estimated tax payment made pursuant to Section 25563 or the payment made pursuant to Section 25402 with regard to an extension of time to file exceeds fifty thousand dollars ($50,000) in any income year beginning on or after January 1, 1991, or twenty thousand dollars ($20,000) in any income year beginning on or after January 1, 1995.

(2) The total tax liability exceeds two hundred thousand dollars ($200,000) in any income year beginning on and after January 1, 1991, or eighty thousand dollars ($80,000) in any income year beginning on or after January 1, 1995. For purposes of this section, total tax liability shall be the total tax liability as shown on the original return, after any adjustment made pursuant to Section 25670.

(3) A taxpayer submits a request to the Franchise Tax Board and is granted permission to make electronic funds transfers.

(4) A taxpayer required to remit payments to the Franchise Tax Board by electronic funds transfer may elect to discontinue making payments where the threshold requirements set forth in paragraphs (1) and (2) were not met for the preceding income year. The election shall be made in a form and manner prescribed by the Franchise Tax Board.

(b) Any taxpayer required to remit payment by electronic funds transfer pursuant to this section who makes payment by other means shall pay a penalty of 10 percent of the amount paid, unless it is shown that the failure to make payment as required was for reasonable cause and was not the result of willful neglect.

(c) Any taxpayer required to remit payments by electronic funds transfer pursuant to this section may request a waiver of those requirements from the Franchise Tax Board. The Franchise Tax Board may grant a waiver only if it determines that the particular amounts paid in excess of the threshold amounts established in this section were not representative of the taxpayer's tax liability. If a

taxpayer is granted a waiver, subsequent remittances by electronic funds transfer shall be required only on those terms set forth in the waiver.

(d) The Franchise Tax Board shall accept remittances by electronic funds transfer pursuant to this section no later than January 1, 1993. Electronic funds transfer procedures, in addition to those described in subdivision (e), shall be as prescribed by the Franchise Tax Board. Payment is deemed complete on the date the electronic funds transfer is initiated, if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed to occur on the date settlement occurs.

(e) For purposes of this section:

(1) "Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape, so as to order, instruct, or authorize a financial institution to debit or credit an account. Electronic funds transfer shall be accomplished by an automated clearinghouse debit, an automated clearinghouse credit, a Federal Reserve Wire Transfer (Fedwire), or an international funds transfer.

(2) "Automated clearinghouse" means any federal reserve bank, or an organization established by agreement with the National Automated Clearing House Association, that operates as a clearinghouse for transmitting or receiving entries between banks or bank accounts and that authorizes an electronic transfer of funds between those banks or bank accounts.

(3) "Automated clearinghouse debit" means a transaction in which any department of the state, through its designated depository bank, originates an automated clearinghouse transaction debiting the taxpayer's bank account and crediting the state's bank account for the amount of tax. Banking costs incurred for the automated clearinghouse debit transaction by the taxpayer shall be paid by the state.

(4) "Automated clearinghouse credit" means an automated clearinghouse transaction in which the taxpayer, through its own bank, originates an entry crediting the state's bank account and debiting its own bank account. Banking costs incurred by the state for the automated clearinghouse credit transaction may be charged to the taxpayer.

(5) "Fedwire" means any transaction originated by the taxpayer and utilizing the national electronic payment system to transfer funds through federal reserve banks, pursuant to which the taxpayer debits its own bank account and credits the state's bank account. Electronic funds transfers may be made by Fedwire only if prior approval is obtained from the Franchise Tax Board and the taxpayer

is unable, for reasonable cause, to make payments pursuant to paragraph (3) or (4). Banking costs charged to the taxpayer and to the state may be charged to the taxpayer.

(6) "International funds transfer" means any transaction originated by the taxpayer and utilizing the international electronic payment system to transfer funds, pursuant to which the taxpayer debits its own bank account, and credits the funds to a United States bank that credits the state's bank account. Banking costs charged to the taxpayer and to the state may be charged to the taxpayer.

(7) In determining whether a payment or total tax liability exceeds the amounts established in subdivision (a), all taxpayers whose income derived from, or attributable to, sources within this state is required to be determined by a combined report shall be aggregated and the total aggregate amount shall be considered to be the payment or total tax liability of a single taxpayer.

(f) This section shall become operative on January 1, 1993.

CHAPTER 28

An act to amend Section 1722 of the Civil Code, relating to contracts.

[Approved by Governor June 9, 1993. Filed with Secretary of State June 10, 1993.]

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

SECTION 1. Section 1722 of the Civil Code is amended to read:

1722. (a) (1) Whenever a contract is entered into between a consumer and a retailer with 25 or more employees relating to the sale of merchandise which is to be delivered by the retailer or the retailer's agent to the consumer at a later date, and the parties have agreed that the presence of the consumer is required at the time of delivery, the retailer shall specify either at the time of the sale or at a later date prior to the delivery date, a four-hour time period within which any delivery shall be made. Whenever a contract is entered into between a consumer and a retailer with 25 or more employees for service or repair of merchandise, whether or not the merchandise was sold by the retailer to the consumer, and the parties have agreed that the presence of the consumer is required at the time of service or repair, upon receipt of a request for service or repair under the contract, the retailer shall specify, prior to the date of service or repair, a four-hour period within which the service or repair shall be commenced. Once a delivery, service, or repair time is established, the retailer or the retailer's agent shall deliver the merchandise to the consumer, or commence service or repair of the merchandise, within that four-hour period.

(2) If the merchandise is not delivered, or service or repair are not

commenced, within the specified four-hour period, except for delays caused by unforeseen or unavoidable occurrences beyond the control of the retailer, the consumer may bring an action in small claims court against the retailer for lost wages, expenses actually incurred, or other actual damages not exceeding a total of five hundred dollars ($500).

(3) No action shall be considered valid if the consumer was not present at the time, within the specified period, when the retailer or the retailer's agent attempted to make the delivery, service, or repairs or made a diligent attempt to notify the consumer of its inability to do so because of unforeseen or unavoidable occurrences beyond its control.

(4) In any small claims action, logs and other business records maintained by the retailer or the retailer's agent in the ordinary course of business shall be prima facie evidence of the time period specified for the delivery, service, or repairs and of the time when the merchandise was delivered, or of a diligent attempt by the retailer or the retailer's agent to notify the consumer of delay caused by unforeseen or unavoidable occurrences.

(5) It shall be a defense to the action if a diligent attempt was made to notify the consumer of the delay caused by unforeseen or unavoidable occurrences beyond the control of the retailer or the retailer's agent, or the retailer or the retailer's agent was unable to notify the consumer of the delay because of the consumer's absence or unavailability during the four-hour period, and, in either instance, the retailer or the retailer's agent makes the delivery, service, or repairs within two hours of a newly agreed upon time or, if the consumer unreasonably declines to arrange a new time for the delivery, service, or repairs.

(b) (1) Cable television companies shall inform their subscribers of their right to service connection or repair within a four-hour period, if the presence of the subscriber is required, by offering the four-hour period at the time the subscriber calls for service connection or repair, or by notifying their subscribers by mail three times a year of this service. Whenever a subscriber contracts with a cable television company for a service connection or repair which is to take place at a later date, and the parties have agreed that the presence of the subscriber is required, the cable company shall specify, prior to the date of service connection or repair, the time for the commencement of the four-hour period for the service connection or repair if the subscriber requests.

(2) If the service connection or repair is not commenced within the specified four-hour period, except for delays caused by unforeseen or unavoidable occurrences beyond the control of the company, the subscriber may bring an action in small claims court against the company for lost wages, expenses actually incurred or other actual damages not exceeding a total of five hundred dollars ($500).

(3) No action shall be considered valid if the subscriber was not

present at the time, within the specified period, that the company attempted to make the service connection or repair.

(4) In any small claims action, logs and other business records maintained by the company or its agents in the ordinary course of business shall be prima facie evidence of the time period specified for the commencement of the service connection or repair and the time that the company or its agents attempted to make the service connection or repair, or of a diligent attempt by the company to notify the subscriber of a delay caused by unforeseen or unavoidable occurrences.

(5) It shall be a defense to the action if a diligent attempt was made to notify the subscriber of delay caused by unforeseen or unavoidable occurrences beyond the control of the company or its agents, or the company or its agents were unable to notify the subscriber because of the subscriber's absence or unavailability during the four-hour period, and, in either instance, the cable television company commenced service or repairs within a newly agreed upon two-hour period.

(6) No action shall be considered valid against a cable television company pursuant to this section when the franchise or any local ordinance provides the subscriber with a remedy for a delay in commencement of a service connection or repair and the subscriber has elected to pursue that remedy. If a subscriber elects to pursue his or her remedies against a cable television company under this section, the franchising or state or local licensing authority shall be barred from imposing any fine, penalty, or other sanction against the company, arising out of the same incident.

(c) (1) Utilities shall inform their subscribers of their right to service connection or repair within a four-hour period, if the presence of the subscriber is required, by offering the four-hour period at the time the subscriber calls for service connection or repair, or by notifying the subscriber by mail three times a year of this service. Whenever a subscriber contracts with the utility for a service connection or repair, and the parties have agreed that the presence of the subscriber is required, the utility shall specify, prior to the date of service connection or repair, the time for the commencement of the four-hour period for the service connection or repair if the subscriber requests.

(2) If the service connection or repair is not commenced within the specified four-hour period, except for delays caused by unforeseen or unavoidable circumstances beyond the control of the utility, the subscriber may bring an action in small claims court against the utility for lost wages, expenses actually incurred, or other actual damages not exceeding a total of five hundred dollars ($500).

(3) No action shall be considered valid if the subscriber was not present at the time, within the specified period, that the utility attempted to make the service connection or repair.

(4) In any small claims action, logs and other business records maintained by the utility or its agents in the ordinary course of

business shall be prima facie evidence of the time period specified for the commencement of the service connection or repair and of the time that the utility attempted to make the service connection or repair, or of a diligent attempt by a utility to notify the subscriber of delay caused by unforeseen or unavoidable occurrences.

(5) It shall be a defense to the action if a diligent attempt was made by the utility to notify the subscriber of delay caused by unforeseen or unavoidable occurrences beyond the control of the utility, and the utility commenced service within a newly agreed upon two-hour period.

(d) Any provision of a delivery, service, or repair contract in which the consumer or subscriber agrees to modify or waive any of the rights afforded by this section shall be void as contrary to public policy.

CHAPTER 29

An act to amend Section 15003 of the Penal Code, relating to peace officers.

[Approved by Governor June 16, 1993. Filed with Secretary of State June 16, 1993.]

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

SECTION 1. Section 15003 of the Penal Code is amended to read:

15003. Peace officer memorial ceremonies, including the dedication of the memorial and any subsequent ceremonies, shall be conducted by the California Peace Officers Memorial Foundation.

CHAPTER 30

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

[Approved by Governor June 15, 1993. Filed with Secretary of State June 16, 1993.]

I am reducing the $280,000 appropriation contained in Section 1 of Senate Bill 164 by $150,000 to $130,000.

This bill would appropriate $280,000 from the Sexual Habitual Offender Fund to the Department of Justice to implement the Serious Habitual Offender Program. However, at this time, the Department of Justice only needs $130,000 for the remainder of the 1992–93 fiscal year. Resources to maintain the program beyond the current fiscal year have been proposed in the 1993–94 budget.

With this reduction, I hereby approve Senate Bill 164.

PETE WILSON, Governor

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

SECTION 1. The sum of two hundred eighty thousand dollars ($280,000) is hereby appropriated from the Department of Justice Sexual Habitual Offender Fund to the Department of Justice for costs incurred in implementing the Sexual Habitual Offender Program.

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 support the efforts of the criminal justice community through a focused effort by law enforcement and prosecuting agencies to identify, locate, apprehend, and prosecute habitual sex offenders, it is necessary that this act effect immediately.

CHAPTER 31

An act to amend Sections 17034, 17035, 17037, 17039, 17045, 17086, 17152, 17222, 17299.8, 17299.9, 17322, 17508, 17552, 17735, 18009, 18937, 21022, 23036, 23058, 23060, 23081, 23101.5, 23184.5, 23225, 23301, 23305e, 23333, 23335, 23455, 23701r, 23772, 23777, 23802, 23810, 23811, 24273.5, 24447, 24448, 24453, 24634, 24946, 25110, 25111, 25112, and 26313 of, to add Part 10.2 (commencing with Section 18401) to Division 2 of, to repeal and add Sections 19053.6 and 26073.4 of, to repeal Sections 17932 and 24992 of, to repeal Chapter 17 (commencing with Section 18401), Chapter 18 (commencing with Section 18551), Chapter 18.5 (commencing with Section 18701), Chapter 19 (commencing with Section 18801), Chapter 20 (commencing with Section 19051), Chapter 21 (commencing with Section 19251), Chapter 22 (commencing with Section 19351), Chapter 23 (commencing with Section 19401), and Chapter 24 (commencing with Section 19451), of Part 10 of Division 2 of, and to repeal Chapter 19 (commencing with Section 25401), Chapter 20 (commencing with Section 25661), Chapter 21 (commencing with Section 25901), Chapter 22 (commencing with Section 26071), Chapter 23 (commencing with Section 26131), and Chapter 24 (commencing with Section 26422) of Part 11 of Division 2 of, the Revenue and Taxation Code, to amend Sections 803, 828, 1111, 1113, 1129, 1181, 1184, 13003, 13020, 13028, 13028.5, 13028.6, 13029, 13052.5, 13054, and 13101 of the Unemployment Insurance Code, and to amend Section 2 of Chapter 1451 of the Statutes of 1990 and Section 43 of Chapter 1348 of the Statutes of 1990, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1993. Filed with Secretary of State June 16, 1993.]

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

SECTION 1. Section 17034 of the Revenue and Taxation Code is amended to read:

17034. Unless otherwise specifically provided therein, the provisions of any act:

(a) That affect the imposition or computation of taxes, additions to tax other than Section 19136, penalties, or the allowance of credits against the tax, shall be applied to taxable years beginning on or after January 1 of the year in which the act takes effect.

(b) That change the provisions of Section 19136 (relating to underpayment of estimated tax) shall be applied to taxable years beginning on or after January 1 of the year immediately after the year in which the act takes effect.

(c) That otherwise affect the provisions of this part shall be applied on and after the date the act takes effect.

SEC. 2. Section 17035 of the Revenue and Taxation Code is amended to read:

17035. The term "withholding agent" means any person required to deduct and withhold any tax under Section 18662.

SEC. 3. Section 17037 of the Revenue and Taxation Code is amended to read:

17037. Provisions in other codes or general law statutes which are related to this part include all of the following:

(a) Chapter 20.6 (commencing with Section 9891) of Division 3 of the Business and Professions Code, relating to tax preparers.

(b) Part 10.2 (commencing with Section 18401), relating to the administration of franchise and income tax laws.

(c) Part 10.5 (commencing with Section 20501), relating to the Property Tax Assistance and Postponement Law.

(d) Part 10.7 (commencing with Section 21001), relating to the Taxpayers' Bill of Rights.

(e) Part 11 (commencing with Section 23001), relating to the Bank and Corporation Tax Law.

(f) Sections 15700 to 15702.1, inclusive, of the Government Code, relating to the Franchise Tax Board.

SEC. 4. 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) and any amount imposed under paragraph (1) of subdivision (d) and paragraph (1) of subdivision (e) of Section 17560. Notwithstanding the preceding sentence, the

"net tax" shall not be less than the tax imposed under Section 17504 (relating to the separate tax on lump-sum distributions), if any. Credits shall be allowed against "net tax" in the following order:

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

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

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

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

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

(6) Credits that contain refundable provisions but do not contain carryover provisions.

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 19002 (relating to tax withholding), the credits provided in those sections shall be allowed in the order provided in paragraph (6) 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 the following credits, but only after allowance of the credit allowed by Section 17063—

(A) The credit allowed by former 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 17052.5 (relating to solar energy).

(D) The credit allowed by Section 17052.12 (relating to research expenses).

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

(F) The credit allowed by Section 17057 (relating to clinical testing expenses).

(G) The credit allowed by Section 17058 (relating to low-income housing).

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

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

(J) The credit allowed by Section 19002 (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) Unless otherwise provided, any remaining carryover of a credit allowed by a section which has been repealed or made inoperative shall continue to be allowed to be carried over and applied against the "net tax" until the credit has been exhausted.

(e) (1) Unless otherwise provided, if two or more taxpayers (other than husband and wife) share in costs that would be eligible for a tax credit allowed under this part, each taxpayer shall be eligible to receive the tax credit in proportion to his or her respective share of the costs paid or incurred.

(2) In the case of a partnership, the credit may be divided among the partners pursuant to a written partnership agreement in accordance with Section 704 of the Internal Revenue Code, relating to partner's distributive share.

(3) In the case of a husband and wife who file separate returns, the credit may be taken by either or equally divided between them.

SEC. 5. Section 17045 of the Revenue and Taxation Code is amended to read:

17045. In the case of a joint return of a husband and wife under Section 18521, the tax imposed by Section 17041 shall be twice the tax which would be imposed if the taxable income were cut in half.

For purposes of this section, a return of a surviving spouse (as defined in Section 17046) shall be treated as a joint return of a husband and wife.

SEC. 6. Section 17086 of the Revenue and Taxation Code is amended to read:

17086. (a) Noncash patronage allocations from farmers' cooperative and mutual associations (whether paid in capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice or in some other manner that discloses the dollar amount of those noncash patronage allocations) may, at the election of the taxpayer, be considered as income and included in gross income for the taxable year in which received.

(b) If a taxpayer exercises the election provided for in subdivision (a), the amount included in gross income shall be the face amount of those allocations.

(c) If a taxpayer elects to exclude noncash patronage allocations from gross income for the taxable year in which received, those allocations shall be included in gross income in the year that they are redeemed or realized upon.

(d) If a taxpayer exercises the election provided for in subdivision (c), the face amount of those noncash patronage allocations shall be disclosed in the return made for the taxable year in which those noncash patronage allocations were received.

(e) If a taxpayer exercises the election provided for in subdivision (a) or (c) for any taxable year, then the method of computing

income so adopted shall be adhered to with respect to all subsequent taxable years unless with the approval of the Franchise Tax Board a change to a different method is authorized.

(f) If a taxpayer has made the election provided for in subdivision (c), then (1) the statutory period for the assessment of a deficiency for any taxable year in which the amount of any noncash patronage allocations are realized shall not expire prior to the expiration of four years from the date the Franchise Tax Board is notified by the taxpayer (in the manner as the Franchise Tax Board may by regulation prescribe) of the realization of gain on those allocations; and (2) that deficiency may be assessed prior to the expiration of that four-year period, notwithstanding the provisions of Section 19057 or the provisions of any other law or rule of law which would otherwise prevent that assessment.

SEC. 7. Section 17152 of the Revenue and Taxation Code is amended to read:

17152. For the purposes of Section 121(b) of the Internal Revenue Code, as incorporated by Section 17131 for purposes of this part, both of the following shall apply:

(a) The dollar amount of the exclusion shall be the same as allowed for federal purposes as determined by the taxpayer's filing status for federal purposes even though the taxpayer is prohibited from filing a joint return pursuant to Section 18521. However, in no instance shall the total amount excludable for the sale of a principal residence exceed the maximum amount allowed by Section 121(b) of the Internal Revenue Code.

(b) For taxable years beginning on or after January 1, 1992, Section 121(a)(2) of the Internal Revenue Code shall be modified by reducing the three-year period by the period of the taxpayer's service, not to exceed 18 months, in the Peace Corps during the five-year period ending on the date of the sale or exchange.

SEC. 8. Section 17222 of the Revenue and Taxation Code is amended to read:

17222. No deduction shall be allowed for the tax deducted and withheld under Section 18662 and Section 13020 of the Unemployment Insurance Code either to the employer or to the recipient of the income in computing taxable income under this part.

SEC. 9. Section 17299.8 of the Revenue and Taxation Code is amended to read:

17299.8. The Franchise Tax Board may disallow a deduction under this part to an individual or entity for amounts paid as remuneration for personal services if that individual or entity fails to report the payments required under Section 13050 of the Unemployment Insurance Code or Section 18637 or 18638 on the date prescribed therefor (determined with regard to any extension of time for filing).

SEC. 10. Section 17299.9 of the Revenue and Taxation Code is amended to read:

17299.9. (a) Notwithstanding any other provisions in this part, in

the case of a taxpayer who owns real property and has either failed to provide information required pursuant to Section 18642, or has provided information which is either false, misleading, or incomplete in the information return required pursuant to Section 18642, no deduction shall be allowed for interest, taxes, depreciation, or amortization paid or incurred with respect to that real property, as provided in subdivision (b).

(b) No deduction shall be allowed for the items provided in subdivision (a) from 60 days after the due date for filing the information return required pursuant to Section 18642 until the date the Franchise Tax Board determines that all provisions of Section 18642 have been complied with.

(c) In the event the period of noncompliance does not cover an entire taxable year, the deductions shall be denied at the rate of one-twelfth for each full month during the period of noncompliance.

SEC. 11. Section 17322 of the Revenue and Taxation Code is amended to read:

17322. For purposes of Section 302(c)(2) of the Internal Revenue Code, the periods of limitation to be extended for one year are the periods provided in Sections 19057 and 19371.

SEC. 12. Section 17508 of the Revenue and Taxation Code is amended to read:

17508. The provisions of Section 408(o) of the Internal Revenue Code, relating to definitions and rules relating to nondeductible contributions to individual retirement plans, shall be applicable and the information required to be reported shall be reported on the return filed pursuant to Chapter 2 (commencing with Section 18501) of Part 10.2 at the time and in the manner as specified in that section.

SEC. 13. Section 17552 of the Revenue and Taxation Code is amended to read:

17552. (a) Notwithstanding Section 17565, a return for a period of less than 12 months shall also be made when the Franchise Tax Board terminates the taxpayer's taxable year under Section 19082 (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. 14. Section 17735 of the Revenue and Taxation Code is amended to read:

17735. In the case of an estate, no deductions shall be allowed under Section 661(a) of the Internal Revenue Code with respect to amounts attributable and taxable to nonresident beneficiaries if the fiduciary fails to obtain a certificate as provided by Section 19513.

SEC. 15. Section 17932 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 18009 of the Revenue and Taxation Code is amended to read:

18009. Interest shall be assessed, collected and paid in the same

manner as the tax at the adjusted annual rate established pursuant to Section 19521 from the date the credit was allowed under this part to the date of payment.

SEC. 17. Chapter 17 (commencing with Section 18401) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 18. Chapter 18 (commencing with Section 18551) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 19. Chapter 18.5 (commencing with Section 18701) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 20. Chapter 19 (commencing with Section 18801) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 20.5. Section 18937 of the Revenue and Taxation Code is amended to read:

18937. (a) (1) If any person fails to pay any amount of tax, penalty, addition to tax, interest, or other liability imposed and delinquent under this part, a collection cost recovery fee shall be imposed if the Franchise Tax Board has mailed notice to the person for payment that advises that continued failure to pay the amount due may result in collection action, including the imposition of a collection cost recovery fee. The collection cost recovery fee shall be in the amount of eighty-eight dollars ($88) or an amount as adjusted under subdivision (b).

(2) If any person fails or refuses to make and file a tax return required by this part within 25 days after formal legal demand to file the tax return is mailed to that person by the Franchise Tax Board, the Franchise Tax Board shall add a filing enforcement cost recovery fee in the amount of fifty-one dollars ($51) or an amount as adjusted under subdivision (b).

(b) For fees charged during the 1993–94 fiscal year and fiscal years thereafter, the amount of those fees shall be set to reflect actual costs and shall be specified in the annual Budget Act.

(c) Interest shall not accrue with respect to the cost recovery fees provided by this section.

(d) The amounts provided by this section are obligations imposed by this part and may be collected in any manner provided under this part for the collection of a tax.

(e) Subdivision (a) is operative with respect to the notices for payment or formal legal demands to file, either of which is mailed on or after the effective date of this section.

(f) The Franchise Tax Board shall determine the total amount of the cost recovery fees collected or accrued through June 30, 1993, and shall notify the Controller of that amount. The Controller shall transfer that amount to the Franchise Tax Board, and that amount is hereby appropriated to the board for the 1992–93 fiscal year for reimbursement of its collection and filing enforcement efforts.

SEC. 21. Chapter 20 (commencing with Section 19051) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 21.5. Section 19053.6 of the Revenue and Taxation Code is repealed.

SEC. 21.6. Section 19053.6 is added to the Revenue and Taxation Code, to read:

19053.6. (a) If a change or correction is made or allowed by the Commissioner of Internal Revenue or other officer of the United States or other competent authority, or an amended return is required under Section 18451 and is filed timely, a claim for credit or refund resulting from the adjustment may be filed by the taxpayer within two years from the date of the final federal determination, or within the period provided in Sections 19053 and 19053.1, whichever period expires later.

(b) This section shall apply to any federal determination that becomes final on or after January 1, 1993.

SEC. 22. Chapter 21 (commencing with Section 19251) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 23. Chapter 22 (commencing with Section 19351) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 24. Chapter 23 (commencing with Section 19401) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 25. Chapter 24 (commencing with Section 19451) of Part 10 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 26. Part 10.2 (commencing with Section 18401) is added to Division 2 of the Revenue and Taxation Code, to read:

PART 10.2. ADMINISTRATION OF FRANCHISE AND INCOME TAX LAWS

CHAPTER 1. GENERAL PROVISIONS

Article 1. General Application

18401. Each provision of this part shall apply to Part 10 (commencing with Section 17001) and Part 11 (commencing with Section 23001), unless otherwise provided.

18402. (a) Except where the context otherwise requires, the general provisions and definitions provided in Chapter 1 (commencing with Section 17001) of Part 10 and in Chapter 1 (commencing with Section 23001) of Part 11 shall apply to this part.

(b) For purposes of this part, "person" includes an individual, fiduciary, partnership, bank, corporation, or organization exempt from taxation under Section 23701.

(c) (1) Whenever provisions of this part are applied in connection with Part 10 (commencing with Section 17001), the terms "taxpayer," "corporation" and "taxable year" have the same meaning as defined in Chapter 1 (commencing with Section 17001) of Part 10.

(2) Whenever provisions of this part are applied in connection with Part 11 (commencing with Section 23001), the terms "taxpayer," "corporation" and "taxable year" have the same meaning as defined in Article 2 (commencing with Section 23030) of

Chapter 1 of Part 11.

18403. For purposes of this part, any return, declaration, report, statement, or other document required to be made or filed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) shall be deemed to have been required to be made or filed under this part.

Article 2. Continuity with Prior Law

18412. The provisions of this part insofar as they are substantially the same as statutory provisions relating to the same subject matter in Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), as those provisions, including applicable regulations, existed on December 31, 1993, shall be construed as restatements and continuations thereof, and not as new enactments.

18413. The repeal of any provision in Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) made by the act adding this section shall not affect any act done or any right accruing or accrued, or any suit, appeal, or other proceeding having commenced under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), before that repeal; but all rights and liabilities under that law shall continue, and may be enforced in the same manner, as if that repeal had not been made.

18414. Any provision of this part that refers to the application of any portion of this part to a prior period (or which depends upon the application to a prior period of any portion of this part) shall, when appropriate and consistent with the purpose of that provision, be deemed to refer to (or depend upon the application of) the corresponding provision of Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) as was applicable to the prior period.

18415. Unless otherwise specifically provided therein, the provisions of any act:

(a) That affect the imposition or computation of taxes, additions to tax other than Sections 19136 or 19142, penalties, or the allowance of credits against the tax, shall be applied to taxable (or income) years beginning on or after January 1 of the year in which the act takes effect.

(b) That change the provisions of Sections 19023 to 19027, inclusive, (relating to payment of estimated tax) or Section 19136 or Sections 19142 to 19151, inclusive, (relating to underpayment of estimated tax) shall be applied to taxable (or income) years beginning on or after January 1 of the year immediately after the year in which the act takes effect.

(c) That otherwise affect the provisions of this part shall be applied on and after the date the act takes effect.

18416. Unless expressly otherwise provided in this part, any notice may be given by first-class mail postage prepaid.

18417. Provisions in other codes or general law statutes that are related to this part include all of the following:

(a) Chapter 20.6 (commencing with Section 9891) of Division 3 of the Business and Professions Code, relating to tax preparers.

(b) Sections 1502, 2204 to 2206, inclusive, 6210, 6810, 8210, and 8810 of the Corporations Code, relating to the corporation officer statement penalty.

(c) Section 2104 of the Corporations Code, which prevents the application of any provision of this part against any foreign lending institution whose activities in this state are limited to those described in subdivision (d) of Section 191 of the Corporations Code.

(d) Sections 15700 to 15702.1, inclusive, of the Government Code, relating to the Franchise Tax Board.

(e) Part 10 (commencing with Section 17001) of this division, relating to the Personal Income Tax Law.

(f) Part 10.5 (commencing with Section 20501) of this division, relating to the Senior Citizens Property Tax Assistance and Postponement Law.

(g) Part 10.7 (commencing with Section 21001) of this division, relating to the Taxpayers' Bill of Rights.

(h) Part 11 (commencing with Section 23001) of this division, relating to the Bank and Corporation Tax Law.

CHAPTER 2. RETURNS

Article 1. Individuals and Fiduciaries

18501. (a) Every individual taxable under Part 10 (commencing with Section 17001) shall make a return to the Franchise Tax Board, stating specifically the items of the individual's gross income from all sources and the deductions and credits allowable, if the individual has any of the following for the taxable year:

(1) An adjusted gross income from all sources in excess of six thousand dollars ($6,000), if single.

(2) An adjusted gross income from all sources in excess of twelve thousand dollars ($12,000), if married.

(3) A gross income from all sources in excess of eight thousand dollars ($8,000), if single, and sixteen thousand dollars ($16,000) if married, regardless of the amount of adjusted gross income.

(b) If a husband and wife have for the taxable year an adjusted gross income from all sources in excess of twelve thousand dollars ($12,000) or a gross income from all sources in excess of sixteen thousand dollars ($16,000), each shall make a return or the income of each shall be included on a single joint return as otherwise provided in this article.

18503. If an individual is unable to make a return, the return shall be made by a duly authorized agent or by the guardian, fiduciary, conservator, or other person charged with the care of the person or property of the individual.

18504. Every resident or nonresident who is taxable upon income of an estate or trust shall include that income in his or her gross income.

18505. (a) Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) taxable under Part 10 (commencing with Section 17001) shall make a return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, for any of the following taxpayers for whom he or she acts, stating specifically the items of gross income of the taxpayer and the deductions and credits allowed:

(1) Every individual having an adjusted gross income for the taxable year in excess of six thousand dollars ($6,000), if single.

(2) Every individual having an adjusted gross income for the taxable year in excess of twelve thousand dollars ($12,000), if married.

(3) Every individual having a gross income for the taxable year in excess of eight thousand dollars ($8,000), regardless of the amount of adjusted gross income.

(4) Every estate the net income of which for the taxable year is in excess of one thousand dollars ($1,000).

(5) Every trust (not treated as a corporation under Section 23038) the net income of which for the taxable year is in excess of one hundred dollars ($100).

(6) Every estate or trust (not treated as a corporation under Section 23038) the gross income of which for the taxable year is in excess of eight thousand dollars ($8,000), regardless of the amount of the net income.

(7) Every decedent, for the year in which death occurred, and for prior years, if returns for those years should have been filed but have not been filed by the decedent, under the rules and regulations that the Franchise Tax Board may prescribe.

(b) The fiduciary of any estate or trust required to file a return under subdivision (a), for any taxable year shall, on or before the date on which that return was required to be filed, furnish to each beneficiary (or nominee thereof) a statement in accordance with the provisions of Section 6034A of the Internal Revenue Code.

18506. A trust that qualifies under Section 401 (a) of the Internal Revenue Code and which is exempt is not required to file a return unless it changes the character of its organization, the purpose for which it was organized, or its method of operation or unless the trust has unrelated business taxable income. Where an exempt trust has unrelated business taxable income which exceeds one thousand dollars ($1,000) it shall file a return, verified by an executive officer under penalties of perjury in the form prescribed by the Franchise Tax Board on or before the 15th day of the fourth month following the close of the taxable year.

18507. If the requirements of Section 18501 do not apply, any individual who is a nonresident for all or any portion of the taxable

year shall be required to file a return, regardless of the amount of his or her adjusted gross income, if he or she is required to pay any tax pursuant to Part 10 (commencing with Section 17001).

18508. Under the rules and regulations that the Franchise Tax Board may prescribe, a return filed by one of two or more joint fiduciaries is sufficient. The fiduciary filing the return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, shall state both of the following:

(a) That he or she has sufficient knowledge of the affairs of the taxpayer for whom the return is made to enable him or her to make the return.

(b) That the return is, to the best of his or her knowledge and belief, true and correct.

18509. Any fiduciary required to make a return under Section 18505 is subject to all the provisions of Part 10 (commencing with Section 17001) and this part that apply to individuals.

18510. For purposes of Sections 18501, 18505, and 18521, gross income shall be computed without regard to the exclusion provided for in Section 121 of the Internal Revenue Code, relating to the one-time exclusion of gain from the sale of principal residence by an individual who has attained age 55 years.

18521. (a) Except as otherwise provided in this article, an individual shall use the same filing status that he or she used on his or her federal income tax return filed for the same taxable year.

(b) Except as provided in subdivision (d), if a joint federal income tax return is filed for the taxable year, the income of each shall be included in a single joint return.

(c) Except as provided in subdivision (d), in the case of a husband and wife who file a joint federal income tax return, where either spouse was a nonresident for any portion of the taxable year, the husband and wife shall file a joint nonresident return.

(d) Notwithstanding subdivisions (b) and (c), and subject to the prohibitions of subdivision (e), a husband and wife may file separate returns if either spouse was either of the following during the taxable year:

(1) An active member of the armed forces or any auxiliary branch thereof.

(2) A nonresident for the entire taxable year who had no income from a California source.

(e) For any taxable year with respect to which a joint return has been filed, a separate return shall not be made by either spouse after the period for either to file a separate return has expired.

(f) 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 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, or if the taxable year of either spouse is a fractional part of a year under

Section 443(a) of the Internal Revenue Code.

(g) 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 the 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.

18522. If an individual has filed a separate return for a taxable year for which a joint return could have been made by him or her and his or her spouse under Section 18521, and the time prescribed for filing the return for that taxable year has expired, that individual and his or her spouse may nevertheless make a joint return for that taxable year, provided a joint federal income tax return is made under the provisions of Section 6013(b) of the Internal Revenue Code. A joint return filed by the husband and wife in that case shall constitute the return of the husband and wife for that taxable year, and all payments, credits, refunds, or other repayments made or allowed with respect to the separate return of either spouse for that taxable year shall be taken into account in determining the extent to which the tax based upon the joint return has been paid.

18523. If a joint return is made under Section 18522, any election (other than the election to file a separate return) made by either spouse in his or her separate return for the taxable year with respect to the treatment of any income, deduction, or credit of the spouse shall not be changed in the making of the joint return where the election would have been irrevocable if the joint return had not been made.

18524. If a joint return is made under Section 18522 after the death of either spouse, the return with respect to the decedent may be made only by his or her executor or administrator.

18525. A joint return may be made under Section 18522 only if there is paid in full at or before the time of the filing of the joint return all of the following:

(a) All amounts previously assessed with respect to either spouse for that taxable year.

(b) All amounts shown as the tax by either spouse upon his or her separate return for that taxable year.

(c) Any amount determined, at the time of the filing of the joint return, as a proposed deficiency with respect to either spouse for that

taxable year if, prior to the filing, a notice under Section 19033 of the proposed deficiency has been mailed.

18526. A joint return may not be made under Section 18522 in any of the following situations:

(a) After the expiration of four years from the last date prescribed by law for filing the return for the taxable year (determined without regard to any extension of time granted to either spouse).

(b) After there has been mailed to either spouse, with respect to the taxable year, a notice of deficiency under Section 19033, if the spouse, as to that notice, files a protest under Section 19041 or appeal under Section 19045.

(c) After either spouse has commenced a suit in any court for the recovery of any part of the tax for that taxable year.

(d) After either spouse has entered into a closing agreement under Section 19441 with respect to the taxable year.

18527. For the purposes of Article 1 (commencing with Section 19301) of Chapter 6 (relating to refunds and credits), a joint return made under Section 18522 shall be deemed to have been filed on the last date prescribed for filing the return for the taxable year (determined without regard to any extension of time granted to either spouse).

18528. For the purposes of Sections 19057 to 19067, inclusive (relating to period of limitations upon assessment and collection), and for the purposes of Section 19131 (relating to delinquent returns), a joint return made under Section 18522 shall be deemed to have been filed in any of the following circumstances:

(a) Where both spouses filed separate returns prior to making the joint return, on the date the last separate return was filed (but not earlier than the last date prescribed by this part for filing the return of either spouse).

(b) Where one spouse filed a separate return prior to the making of the joint return, and the other spouse had six thousand dollars ($6,000) or less of adjusted gross income and eight thousand dollars ($8,000) or less of gross income for the taxable year, on the date of the filing of the separate return (but not earlier than the last date prescribed by law for the filing of the separate return).

(c) Where only one spouse filed a separate return prior to the making of a joint return and the other spouse had an adjusted gross income in excess of six thousand dollars ($6,000) or a gross income in excess of eight thousand dollars ($8,000) for the taxable year, on the date of the filing of the joint return.

18529. If a joint return is made under Section 18522, the period of limitations provided in Sections 19057 to 19067, inclusive, on the making of assessments and collecting taxes shall with respect to that return include one year immediately after the date of the filing of the joint return (computed without regard to Section 18528).

18530. Where the amount shown as the tax by the husband and wife on a joint return made under Section 18522 exceeds the aggregate of the amounts shown as the tax upon the separate return

of each spouse, each of the following shall apply:

(a) If any part of the excess is attributable to negligence or intentional disregard of rules and regulations (but without intent to defraud) at the time of the making of the separate return, then 20 percent of the total amount of the excess shall be assessed, collected and paid, in lieu of the 20 percent addition to the tax provided in subdivision (a) of Section 19164.

(b) If any part of the excess is attributable to fraud with intent to evade tax at the time of the making of the separate return, then 75 percent of the total amount of the excess shall be assessed, collected and paid, in lieu of the 75 percent addition to the tax provided in subdivision (b) of Section 19164.

18531. For the purposes of Chapter 9 (commencing with Section 19701) which relates to criminal penalties in the case of fraudulent returns, the term "return" includes a separate return filed by a spouse with respect to a taxable year for which a joint return is made under Section 18522 after the filing of the separate return.

18532. For the purposes of this article, the status as husband and wife of two individuals having taxable years beginning on the same day shall be determined as follows:

(a) If both have the same taxable year, then as of the close of that year.

(b) If one dies before the close of the taxable year of the other, then as of the time of the death.

18533. (a) Under regulations prescribed by the Franchise Tax Board, if —

(1) A joint return has been made under this chapter for a taxable year and on that return taxable income was understated by either the omission of an amount properly includable therein, or by erroneous deductions or credits, which is attributable to one spouse,

(2) The other spouse establishes that in signing the return he or she did not know of, and had no reason to know of, that understatement, and

(3) Taking into account whether or not the other spouse significantly benefited directly or indirectly from the understatement of taxable income and taking into account all other facts and circumstances, it is inequitable to hold the other spouse liable for the deficiency in tax for that taxable year attributable to that understatement,

then the other spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) for that taxable year to the extent that the liability is attributable to that understatement of taxable income.

(b) For purposes of this section, the determination of the spouse to whom items of taxable income understatement are attributable shall be made without regard to community property laws.

(c) This section shall apply to all taxable years, but shall not apply to a year which has been closed by a statute of limitations, res judicata

or otherwise.

(d) For purposes of paragraph (2) of subdivision (a), "reason to know" means whether or not a reasonably prudent person would have had reason to know of the understatement.

(e) For purposes of this section, with respect to an omission of an item from income, "attributable to one spouse" may be determined by whether a spouse rendered substantial service in producing the item of income to which the understatement is attributable. If neither spouse rendered substantial services in producing that income, then the attribution of applicable items of understatement shall be treated as community property. An erroneous deduction or credit shall be attributable to the spouse who caused that deduction or credit to be entered on the return.

18534. (a) Under regulations prescribed by the Franchise Tax Board, if:

(1) An individual does not file a joint return for any taxable year,

(2) That individual does not include in gross income for that taxable year an item of community income properly includable therein,

(3) The individual establishes that he or she did not know of, and had no reason to know of, that item of community income, and

(4) Taking into account all facts and circumstances, it is inequitable to include that item of community income in that individual's gross income, then, for purposes of Part 10 (commencing with Section 17001) and this part, that item of community income shall be included in the gross income of the other spouse (and not in the gross income of the individual).

(b) The Franchise Tax Board may disallow the benefits of any community property law to any taxpayer with respect to any income if that taxpayer acted as if solely entitled to that income and failed to notify the taxpayer's spouse before the due date (including extensions) for filing the return for the taxable year in which the income was derived of the nature and amount of that income.

18535. (a) In lieu of electing nonresident partners filing a return pursuant to Section 18501 or 18507, the Franchise Tax Board may, pursuant to requirements and conditions set forth in forms and instructions, provide for the filing of a group return for electing nonresident partners by a partnership doing business in, or deriving income from, sources in California. The tax rate or rates applicable to each electing partner's distributive share shall be the highest marginal rate or rates provided by Part 10 (commencing with Section 17001). Except as provided in subdivision (b), no deductions shall be allowed except those necessary to determine each partner's distributive share, and no credits shall be allowed except those directly attributable to the partnership. As required by the Franchise Tax Board, the partnership as agent for the electing partners shall make the payments of tax, additions to tax, interest, and penalties otherwise required to be paid by the electing partners.

(b) Deductions provided by Chapter 5 (commencing with

Section 17501) of Part 10, attributable to earned income of a partner derived from a partnership filing a group return on behalf of electing nonresident partners under subdivision (a), shall be allowed if the partner certifies, in the form and manner as the Franchise Tax Board may prescribe, that he or she has no earned income from any other source.

(c) This section shall also be applicable to nonresident shareholders of a corporation which is treated as an "S corporation" under Chapter 4.5 (commencing with Section 23800) of Part 11. In that case, the provisions of subdivisions (a) and (b) are modified to refer to "shareholders" in lieu of "partners" and to "S corporation" in lieu of "partnership."

18542. Notwithstanding any other provision of law, the Franchise Tax Board may design tax returns to provide for the designation of contributions to specified funds, as otherwise provided by law, on a separate schedule which shall be attached to the primary return form.

18547. (a) Any person required to register a tax shelter with the Secretary of the Treasury under Section 6111 of the Internal Revenue Code shall, if that tax shelter is organized in California, be required to send a duplicate of that registration information to the Franchise Tax Board not later than the day on which the first offering for sale of interests in that tax shelter occurs.

(b) Any person required to register under Section 6111 of the Internal Revenue Code who receives a tax registration number from the Secretary of the Treasury shall, within 30 days after request by the Franchise Tax Board, file a statement of that registration number.

(c) Section 6111(b) of the Internal Revenue Code, relating to inclusion of tax shelter identification numbers on returns, shall be applicable.

18551. Section 13021 of the Unemployment Insurance Code sets forth requirements for the filing of returns and payment of tax by every employer required to withhold any personal income tax on wages.

18552. The Franchise Tax Board is authorized to require that information with respect to persons subject to the taxes imposed by Article 4 (commencing with Section 18631) of Chapter 2 (relating to tax withheld at source) as is necessary or helpful in securing proper identification of those persons.

18566. Returns filed under this article on the basis of the calendar year shall be filed on or before the 15th day of April following the close of the calendar year. Returns made on the basis of a fiscal year shall be filed on or before the fifteenth day of the fourth month following the close of the fiscal year.

18567. (a) The Franchise Tax Board may grant a reasonable extension of time for filing any return, declaration, statement or other document required by Part 10 (commencing with Section 17001) or this part in the manner and form as the Franchise Tax

Board may determine. Except for a taxpayer residing or traveling abroad, no extension shall be for more than six months. In the case of a taxpayer residing or traveling abroad, returns shall be filed no later than the 15th day of the sixth month following the close of the taxable year, unless the requirements for extension have been fulfilled on or before that date.

(b) An extension of time granted pursuant to this section or Section 21022 is not an extension of time for payment of tax required to be paid on or before the due date of the return without regard to extension. Underpayment of tax penalties shall be imposed as provided by law without regard to any extension granted under this section or Section 21022.

(c) A reasonable extension for payment of tax required by this part may be granted by the Franchise Tax Board whenever in its judgment good cause exists.

18570. (a) In the case of an individual who is serving as a member of the armed forces of the United States or any auxiliary branch thereof, or the merchant marine, beyond the boundaries of the United States, the Franchise Tax Board shall automatically grant, without application being made therefor, an extension of time, free from interest and penalties, for filing the return (except income withheld at source), for payment of the tax (except income withheld at source), for taking any of the steps required by Sections 19041, 19045, 19306, 19324, and 19331, until 180 days after his or her return to the United States.

(b) "United States," as used in subdivision (a), means the 50 states of the United States and the District of Columbia.

(c) This section shall also apply to the spouse of any individual described in subdivision (a).

18571. (a) The provisions of Section 7508 of the Internal Revenue Code, relating to time for performing certain acts postponed by reason of service in combat zone, shall apply.

(b) Section 7508(e)(1) of the Internal Revenue Code, relating to tax in jeopardy, etc., is modified to refer to jeopardy assessments and liens authorized under this part, in lieu of the references to Section 6851 and Chapter 70 or 71 of the Internal Revenue Code.

(c) Notwithstanding Section 17034, this section shall be operative without regard to taxable years and shall be operative with respect to any actions specified in Section 18570 that are required or permitted to be taken on or after August 2, 1990.

Article 2. Banks and Corporations

18601. (a) Except as provided in subdivision (b) or (c), every taxpayer subject to the tax imposed by Part 11 (commencing with Section 23001) shall, within two months and 15 days after the close of its income year, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the income year, all the facts as it may by rule, or otherwise, require in order to carry out this part.

A tax return, disclosing net income for any income year, filed pursuant to Chapter 2 (commencing with Section 23101) or Chapter 3 (commencing with Section 23501) of Part 11 shall be deemed filed pursuant to the proper chapter of Part 11 for the same income period, if the chapter under which the return is filed is determined erroneous.

(b) In the case of cooperative associations described in Section 24404, returns shall be filed on or before the 15th day of the ninth month following the close of its income year.

(c) In the case of taxpayers, other than taxpayers described in subdivision (d), which dissolve or withdraw, each taxpayer shall within two months and 15 days after the close of the month in which the dissolution or withdrawal takes place, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the period involved, all such facts as it may by rule, or otherwise, require in order to carry out this part.

(d) In the case of taxpayers filing under Chapter 17 (commencing with Section 25101) of Part 11 as part of a unitary business, each taxpayer shall file with the Franchise Tax Board, within two months and 15 days after the close of the income year of the unitary group within which dissolution or withdrawal takes place, a return in a form prescribed by it specifying for the period involved, all the facts as it may by rule, or otherwise require, in order to carry out Part 11 (commencing with Section 23001).

18602. In the event that taxes, interest, and penalties have been or shall be assessed against, paid by, or collected from a corporation under Chapter 2 (commencing with Section 23101) of Part 11, which assessment, payment, or collection should have been made under Chapter 3 (commencing with Section 23501) of Part 11, those taxes, interest, and penalties shall be considered as having been assessed, paid, or collected under Chapter 3 (commencing with Section 23501) of Part 11 as of the date or dates they were made.

18604. (a) The Franchise Tax Board may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by Part 11 (commencing with Section 23001), in the manner and form as the Franchise Tax Board may determine. No extension or extensions shall aggregate more than seven months from the due date for filing the return.

(b) An extension for the filing of the return of taxes imposed by Part 11 (commencing with Section 23001) shall be allowed any bank or corporation if, in the manner and at the time as the Franchise Tax Board may prescribe, that bank or corporation pays, on or before the date prescribed for payment of the tax, the amount properly estimated as provided in Section 19023 or 19024.

(c) An extension of time granted pursuant to this section is not an extension of time for payment of tax required to be paid on or before the due date of the return without regard to extension. Underpayment of tax penalties shall be imposed as provided by law without regard to any extension granted under this section.

18605. A reasonable extension of time for filing a return, statement, or other document required under Section 23772 or 23774 may be granted by the Franchise Tax Board whenever in its judgment good cause exists. The Franchise Tax Board may prescribe rulings and regulations as are necessary and reasonable to carry out this section.

18606. (a) In cases where receivers, trustees in a case under Title 11 of the United States Code, or assignees are operating the property or business of a bank or corporation those receivers, trustees, or assignees shall make returns for that bank or corporation in the same manner and form as that bank or corporation is required to make a return.

(b) Any tax due on the basis of returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the bank or corporation of whose business or property they have custody and control.

Article 3. General Provisions Applicable to All Persons

18621. Except as otherwise provided by the Franchise Tax Board, any return, declaration, statement, or other document required to be made under any provision of Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), this part, or any applicable regulation shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. Those returns, and all other returns, declarations, statements, or other documents or copies thereof required, shall be in any form as the Franchise Tax Board may from time to time prescribe, including, but not limited to, on paper, on magnetic media pursuant to Section 19524, or by electronic imaging technology pursuant to Section 18621.5, and shall be filed with the Franchise Tax Board. The Franchise Tax Board shall prepare blank forms for the returns, declarations, statements, or other documents and shall distribute them throughout the state and furnish them upon application. Failure to receive or secure the form does not relieve any taxpayer from making any return, declaration, statement, or other document required.

18621.5. (a) Any return, declaration, statement, or other document required to be made under this part that is filed using electronic technology shall be in a form as the Franchise Tax Board may prescribe and shall be accompanied by a transmittal document signed in accordance with Section 18621 in the case of individuals, banks, or corporations, or subdivision (a) of Section 18633 in the case of a partnership.

(b) Notwithstanding any other provision of law, any return, declaration, statement, or other document otherwise required to be signed that is filed in a traditional medium and captured using electronic imaging technology shall be deemed to be a valid original document upon reproduction to paper form by the Franchise Tax

Board.

(c) "Electronic imaging technology" means a system of microphotography, optical disk, or reproduction by other technique that does not permit additions, deletions, or changes to the original document. The system may include, but is not limited to, any magnetic media or other machine readable form.

(d) "Traditional medium" means any return, declaration, statement, or other document required to be made pursuant to this article other than those made using electronic imaging technology.

18622. (a) If the amount of gross income or deductions for any year of any taxpayer as returned to the United States Treasury Department is changed or corrected by the Commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in gross income or deductions, that taxpayer shall report the change or correction, or the results of the renegotiation, within six months after the final federal determination of the change or correction or renegotiation, or as required by the Franchise Tax Board, and shall concede the accuracy of the determination or state wherein it is erroneous. The changes or corrections need not be reported unless they affect the amount of tax payable under this part.

(b) Any taxpayer filing an amended return with the Commissioner of Internal Revenue shall also file within six months thereafter an amended return with the Franchise Tax Board which shall contain any information as it shall require. However, an amended return need not be filed unless the change therein would affect the amount of tax payable under this part.

(c) Notification of a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority, or renegotiation of a contract or subcontract with the United States that results in a change in gross income or deductions or the filing of an amended return shall be reported in the form and manner as prescribed by the Franchise Tax Board.

18623. (a) The Franchise Tax Board is authorized to provide, with respect to any amount required to be shown on any return, form, statement, or other document required to be filed with the Franchise Tax Board, that if the amount of the item is other than a whole dollar amount, either of the following shall apply:

(1) The fractional part of a dollar shall be disregarded.

(2) The fractional part of a dollar shall be disregarded unless it amounts to one-half dollar ($0.50) or more, in which case the amount (determined without regard to the fractional part of a dollar) shall be increased by one dollar ($1).

(b) Any person making a return, statement, or other document shall be allowed, under regulations prescribed by the Franchise Tax Board, to make the return, statement, or other document without regard to subdivision (a).

(c) Subdivisions (a) and (b) shall not be applicable to items which

must be taken into account in making the computations necessary to determine the amount required to be shown on a form, but shall be applicable only to the final amount.

18624. (a) Identifying numbers shall be required on state tax returns, statements, or other documents in accordance with Section 6109 of the Internal Revenue Code, except as otherwise provided.

(b) Section 6109(e) of the Internal Revenue Code, relating to furnishing numbers for certain dependents, shall not apply.

18625. An income tax return preparer shall furnish a copy of any state tax return to a taxpayer and retain information in accordance with Section 6107 of the Internal Revenue Code.

Article 4. Information Returns

18631. This article does not apply to the payment of interest obligations not taxable under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

18632. Division 6 (commencing with Section 13000) of the Unemployment Insurance Code sets forth provisions administered by the Employment Development Department relating to the reporting, collection, refunding to the employer, and enforcement of taxes required to be withheld from wages paid by employers.

18633. (a) Every partnership, within three months and 15 days after the close of its taxable year, shall make a return for that taxable year, stating specifically the items of gross income and the deductions allowed by Part 10 (commencing with Section 17001). The return shall include the names, addresses, and taxpayer identification numbers of the persons, whether residents or nonresidents, who would be entitled to share in the net income if distributed and the amount of the distributive share of each person. The return shall contain or be verified by a written declaration that it is made under the penalties of perjury, signed by one of the partners.

(b) Each partnership required to file a return under subdivision (a) for any partnership taxable year shall (on or before the day on which the return for that taxable year was required to be filed) furnish to each person who is a partner or who holds an interest in that partnership as a nominee for another person at any time during that taxable year a copy of that information required to be shown on that return as may be required by regulations.

(c) Any person who holds an interest in a partnership as a nominee for another person shall do both of the following:

(1) Furnish to the partnership, in the manner prescribed by the Franchise Tax Board, the name, address, and taxpayer identification number of that other person, and any other information for that taxable year as the Franchise Tax Board may by form and regulation prescribe.

(2) Furnish to that other person, in the manner prescribed by the Franchise Tax Board, the information provided by that partnership

under subdivision (b).

(d) The provisions of Section 6031(d) of the Internal Revenue Code, relating to the separate statement of items of unrelated business taxable income, shall apply.

18634. (a) Any taxpayer making the election under Section 25110 shall file with the Franchise Tax Board within six months after the bank or corporation files its California return required under this part a domestic disclosure spreadsheet if it and its related banks' or corporations' payroll, property, or sales in foreign countries exceeds ten million dollars ($10,000,000) or if it and its related banks' or corporations' total assets exceed two hundred fifty million dollars ($250,000,000), or such higher levels as may be subsequently established by regulation.

(b) The domestic disclosure spreadsheet shall be filed once every three years, unless there is a substantial change in the taxpayer's business activities, in which case it shall be filed for the year in which the change occurs.

(c) For purposes of this section, banks and corporations are related if more than 50 percent of the voting stock of one is directly or indirectly owned or controlled by the other or if more than 50 percent of the voting stock of both is directly or indirectly owned or controlled by the same interest.

(d) The spreadsheet shall provide for full disclosure as to the income reported to each state, the state tax liability, and the method used for apportioning or allocating income to the states, and any other information as provided for by regulations as may be necessary to determine the amount of taxes due to each state and to identify the corporate parent and those of its affiliates of which more than 20 percent of the voting stock is directly or indirectly owned or controlled by the parent.

(e) The spreadsheet shall be reviewed for completeness by the Franchise Tax Board and if it is not properly completed shall not be accepted and shall be subject to penalties.

(f) This section shall not apply to any bank or corporation with regard to any year if that bank's or corporation's payroll, property, and sales within the United States are each less than five hundred thousand dollars ($500,000).

(g) The Auditor General shall review the utility of the spreadsheet to the Franchise Tax Board's audits and shall submit a preliminary report of its findings to the Legislature by December 31, 1991, and a final report by December 31, 1994.

18635. Every trust claiming a charitable, religious, scientific, literary, or educational deduction under Section 642(c) of the Internal Revenue Code for the taxable year shall furnish information with respect to the taxable year, at the time and in the manner as the Franchise Tax Board may by regulations prescribe, setting forth all of the following:

(a) The amount of the charitable, religious, scientific, literary, or educational deduction taken under Section 642(c) of the Internal

Revenue Code within that year (showing separately the amount of the deduction which was paid out and the amount which was permanently set aside for charitable, religious, scientific, literary, or educational purposes during that year).

(b) The amount paid out within that year which represents amounts for which charitable, religious, scientific, literary, or educational deductions under Section 642(c) of the Internal Revenue Code have been taken in prior years.

(c) The amount for which charitable, religious, scientific, literary, or educational deductions have been taken in prior years but which has not been paid out at the beginning of that year.

(d) The amount paid out of principal in the current and prior years for charitable, religious, scientific, literary, or educational purposes.

(e) The total income of the trust within that year and the expenses attributable thereto.

(f) A balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of that year.

This section shall not apply in the case of a taxable year if all the taxable income for that year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries.

18636. Section 6039 of the Internal Revenue Code, relating to information required in connection with certain options, shall apply.

18637. (a) Every individual, partnership, bank, 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 the 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 the regulations and in the form and manner and to the extent as may be prescribed by it.

(b) For purposes of subdivision (a), "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 both of the following:

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

(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.

18638. Every individual, partnership, bank, corporation, joint stock company or association, insurance company, business trust, or so-called Massachusetts trust, shall be required to file a return for certain payments of remuneration for services and furnish a written statement to the person whose name is required to be set forth on the return in accordance with the provisions of Section 6041A of the Internal Revenue Code, except that no return or statement shall be required if a statement with respect to the services is required to be furnished under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code (relating to withholding tax on wages) or Section 18647, and no return or statement shall be required with respect to direct sales pursuant to Section 6041A(b) of the Internal Revenue Code.

18639. (a) Any person required to file an information return with the Internal Revenue Service under Section 6049 of the Internal Revenue Code (relating to payment of interest) or Section 6042 of the Internal Revenue Code (relating to payment of dividends) shall be required to report that information to the Franchise Tax Board.

(b) Every person required to make a return under this section shall also furnish a statement to each person whose name is set forth in the return, as required to do so by the Internal Revenue Code.

18640. (a) Any corporation allocating amounts as patronage dividends, rebates, or refunds (whether in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner that discloses to each patron the amount of the dividend, refund, or rebate) shall render a correct return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, stating both of the following:

(1) The name and address of each patron to whom it has made those allocations amounting to one hundred dollars ($100) or more during the calendar year.

(2) The amount of those allocations to each patron.

If required by the Franchise Tax Board, any corporation described in this subdivision shall render a correct return, which shall contain or be verified by a written declaration that it is under penalties of perjury, of all patronage dividends, rebates, or refunds made during the calendar year to its patrons. This section shall not apply in the case of any corporation exempt from tax under Article 1 (commencing with Section 23701) of Chapter 4 of Part 11.

(b) Every cooperative required to make a return under subdivision (a) shall furnish to each person whose name is required to be set forth in that return a written statement showing both of the following:

(1) The name and address of the cooperative required to make that return.

(2) The aggregate amount of the allocations required to be made to the person as shown on that return.

(c) The written statement required under subdivision (b) shall be furnished (either in person or in a separate mailing by first-class mail which includes adequate notice that the statement is enclosed) 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, and shall be in the form which the Franchise Tax Board may prescribe.

18641. (a) Every person doing business as a broker shall, when required by the Franchise Tax Board, make a return, in accordance with regulations as the Franchise Tax Board may prescribe, showing the name and address of each customer, with such details regarding gross proceeds and any other information which the Franchise Tax Board may by forms or regulations require with respect to that business.

(b) (1) Every person required to make a return under subdivision (a) shall furnish to each customer whose name is required to be set forth in that return a written statement showing all of the following:

(A) The name and address of the person required to make that return.

(B) The information required to be shown on that return with respect to that customer.

(2) The written statement required under paragraph (1) shall be furnished to the customer on or before January 31 of the year following the calendar year for which the return under subdivision (a) was required to be made.

(c) For purposes of this section:

(1) "Broker" includes any of the following:

(A) A dealer.

(B) A barter exchange.

(C) Any other person, who, for a consideration, regularly acts as a middleman with respect to personal property or services. A person shall not be treated as a broker with respect to activities consisting of managing a farm on behalf of another person.

(2) "Customer" means any person for whom the broker has transacted any business.

(3) "Barter exchange" means any organization of members providing personal property or services who jointly contract to trade or barter that personal property or services.

(4) "Person" includes any governmental unit and any agency or instrumentality thereof.

(d) In lieu of the return required by this section, a copy of the similar return filed with the Internal Revenue Service pursuant to Section 6045 of the Internal Revenue Code, and the regulations adopted thereto, may be filed with the Franchise Tax Board.

18642. (a) All owners and transferors of an interest in real property or a mobilehome shall file a return upon written request by the Franchise Tax Board which includes a social security number or other identification number prescribed by the Franchise Tax Board, identification of the property interest, and any other pertinent information about the interest requested by the Franchise Tax Board.

(b) Subdivision (a) shall not apply to any of the following:

(1) Property granted a homeowner's property tax exemption.

(2) Property which is not assessed by a California county assessor.

(c) Owners and transferors failing to file a return required by subdivision (a) on or before the due date of the return shall be subject to the penalty provided by Section 19183, unless the failure is due to reasonable cause and not due to willful neglect.

(d) Owners failing to file a return required by subdivision (a) within 60 days of the due date of the return shall be subject to the sanctions provided by Section 17299.9 disallowing certain expenses related to the property for which a return is required, unless it is shown that the failure is due to reasonable cause and not due to willful neglect.

(e) The Franchise Tax Board shall mail to each owner and transferor required to file a return pursuant to subdivision (a) a notice at least 60 days prior to the due date of the return. The notice shall be in a form and shall include any information which the Franchise Tax Board prescribes and shall advise owners and transferors of all of the following:

(1) The requirement to provide the Franchise Tax Board with a social security number or other identification number prescribed by the Franchise Tax Board.

(2) When the statement is due.

(3) A general description of the tax consequences of not providing the requested information.

(f) The social security number or other identification number furnished pursuant to this section shall be used exclusively for tax administration purposes. It is the intent of the Legislature in enacting this section to utilize the social security number or other identification number for the sole purpose of establishing the identification of individuals or entities affected by state tax laws.

18643. (a) (1) If the transaction involves real property in California, any person required to file a return with the Secretary of the Treasury under Section 6045 (e) of the Internal Revenue Code shall send a copy of that return to the Franchise Tax Board at the time prescribed for filing the return with the Secretary of the Treasury.

(2) For transactions involving California real property which close during the calendar year 1988 but are reported to the Secretary of the Treasury on a return filed after January 1, 1989, the person required to file the return shall file a copy with the Franchise Tax Board at the time prescribed for filing with the Secretary of the Treasury.

(b) The penalties provided under Section 19183 shall apply for failure to comply with subdivision (a).

(c) No later than January 1, 1994, the Franchise Tax Board shall submit a report to the Legislature including a cost benefit analysis, which evaluates the effectiveness of programs established by the Franchise Tax Board in implementing this section.

18644. (a) The operator of a boat on which one or more individuals, during a calendar year, perform services described in subdivision (o) of Section 13009 of the Unemployment Insurance Code shall submit to the Franchise Tax Board (at the time, and in the manner and form, as the Franchise Tax Board shall by regulations prescribe) information respecting all of the following:

(1) The identity of each individual performing those services.

(2) The percentage of each individual's share of the catches of fish or other forms of aquatic animal life, and the percentage of the operator's share of those catches.

(3) If that individual receives his or her share in kind, the type and weight of that share, together with the other information as the Franchise Tax Board may prescribe by regulations reasonably necessary to determine the value of those shares.

(4) If that individual receives a share of the proceeds of those catches, the amount so received.

(b) Every person required to make a return under subdivision (a) shall furnish to each person whose name is required to be set forth in that return a written statement showing the information relating to that person contained in that return. The written statement required under the preceding sentence 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.

18645. (a) The Franchise Tax Board may require a copy of the federal information return to be filed with the Franchise Tax Board if a federal information return was required under any of the following:

(1) Section 6039C of the Internal Revenue Code, relating to returns with respect to foreign persons holding direct investments in United States real property interests, if that person holds a direct

investment in a California real property interest as defined in Section 18662.

(2) Section 6050H of the Internal Revenue Code, relating to mortgage interest received in trade or business from individuals.

(3) Section 6050J of the Internal Revenue Code, relating to foreclosures and abandonments of security.

(4) Section 6050K of the Internal Revenue Code, relating to exchanges of certain partnership interests.

(5) Section 6050L of the Internal Revenue Code, relating to certain dispositions of donated property.

(6) Section 6050N of the Internal Revenue Code, relating to returns regarding payments of royalties.

(b) Every person required to make a return under subdivision (a) shall also furnish a statement to each person whose name is required to be set forth in the return, as required to do so by the Internal Revenue Code.

(c) A transferor of a partnership interest shall be required to notify the partnership of that exchange in accordance with Section 6050K(c) of the Internal Revenue Code.

(d) The Franchise Tax Board shall require a copy of the federal information return to be filed with the Franchise Tax Board if a federal information return was required under Section 6050I of the Internal Revenue Code, relating to cash received in trade or business.

(e) (1) The Attorney General shall, upon court order following a showing ex parte to a magistrate of an articulable suspicion that an individual or entity has committed a felony offense to which a federal information return is related, be provided a copy of a federal information return filed with the Franchise Tax Board under subdivision (d). The Attorney General may make a return or information therefrom available to a district attorney subject to regulations promulgated by the Attorney General. The regulations shall require the district attorney seeking the return or information to specify in writing the specific reasons for believing that a felony offense has been committed to which the return or information is related.

(2) Any information or return obtained by the Attorney General or a district attorney pursuant to this section shall be confidential and used only for investigative or prosecutorial purposes.

(f) This section shall remain in effect only until January 1, 1994, and as of that date is repealed.

18645. (a) The Franchise Tax Board may require a copy of the federal information return to be filed with the Franchise Tax Board if a federal information return was required under any of the following:

(1) Section 6039C of the Internal Revenue Code, relating to returns with respect to foreign persons holding direct investments in United States real property interests, if that person holds a direct investment in a California real property interest as defined in Section

18662.

(2) Section 6050H of the Internal Revenue Code, relating to mortgage interest received in trade or business from individuals.

(3) Section 6050I of the Internal Revenue Code, relating to cash received in trade or business.

(4) Section 6050J of the Internal Revenue Code, relating to foreclosures and abandonments of security.

(5) Section 6050K of the Internal Revenue Code, relating to exchanges of certain partnership interests.

(6) Section 6050L of the Internal Revenue Code, relating to certain dispositions of donated property.

(7) Section 6050N of the Internal Revenue Code, relating to returns regarding payments of royalties.

(b) Every person required to make a return under subdivision (a) shall also furnish a statement to each person whose name is required to be set forth in the return, as required to do so by the Internal Revenue Code.

(c) A transferor of a partnership interest shall be required to notify the partnership of that exchange in accordance with Section 6050K(c) of the Internal Revenue Code.

(d) This section shall become operative on January 1, 1994.

18646. (a) The head of every state agency (as defined by Section 11000 of the Government Code) entering into any contract shall make a return (at the time and in the form the Franchise Tax Board may by regulation prescribe) setting forth all of the following:

(1) The name, address, type of business entity, and taxpayer identification number of each person with which that agency entered into a contract during the calendar year.

(2) Any other information the Franchise Tax Board may require.

(b) The Franchise Tax Board may provide that this section also shall apply to any of the following:

(1) Licenses granted by state agencies.

(2) Subcontracts under contracts to which subdivision (a) applies.

(c) This section shall not apply to contracts or licenses in any class which are below a minimum amount or value which may be determined by the Franchise Tax Board for that class.

18647. (a) Every employer who during any calendar year provides group-term life insurance on the life of an employee during part or all of the calendar year under a policy (or policies) carried directly or indirectly by the employer shall make a return according to the forms or regulations prescribed by the Franchise Tax Board, setting forth the cost of the insurance and the name and address of the employee on whose life the insurance is provided, but only to the extent that the cost of the insurance is includable in the employee's gross income under Section 79(a) of the Internal Revenue Code. For purposes of this section, the extent to which the cost of group-term life insurance is includable in the employee's gross income under Section 79(a) of the Internal Revenue Code shall be determined as if the employer were the only employer paying the employee

remuneration in the form of that insurance.

(b) Every employer required to make a return under subdivision (a) shall furnish to each employee whose name is required to be set forth in the return a written statement showing the cost of the group-term life insurance shown on the return. The written statement required under the preceding sentence shall be furnished to the employee on or before January 31 of the year following the calendar year for which the return under subdivision (a) was required to be made.

18648. (a) Any person who is a promoter of tax shelters, as defined in subdivision (c), shall, within 60 days of a request, make a complete return to the Franchise Tax Board containing the full identification of each investment sold during the reporting period. For each investment, all of the following information shall be provided:

(1) Name of investment.

(2) Description of the business activities of the investment.

(3) Form of investment, such as limited partnership, investment plan, or arrangement.

(4) A list of investors showing full name, address, social security number, and the amount invested by each investor in the investment during the reporting period.

(5) The total amount invested by all investors during the reporting period in the investment.

(6) Any other related information which the Franchise Tax Board may request.

The return shall be verified by a written declaration that it is made under penalty of perjury.

(b) Every person making a return under subdivision (a) shall furnish, within 60 days of the request, to each investor whose name is set forth in the return a written statement showing all of the following:

(1) The name and address of the person making the return.

(2) The aggregate amount of investments of each investor as shown on that return for each reporting period.

(c) For purposes of this section, the term "a promoter of tax shelters" shall mean any person who:

(1) (A) Organizes (or assists in the organization of) any entity, any investment plan or arrangement, or any other plan or arrangement which generates a loss for any investor in excess of his or her cash investment from an activity described in Section 465(c) of the Internal Revenue Code.

(B) Participates in the sale of any interest in any entity or plan or arrangement referred to in subparagraph (A).

(2) Makes or furnishes (in connection with that organization or sale):

(A) A statement with respect to the allowability of any deduction or credit, the excludability of any income, or the securing of any other tax benefit by reason of holding an interest in the entity or

participating in the plan or arrangement.

(B) A statement as to the value of any property or services.

(d) A promoter of tax shelters shall keep records necessary to substantiate the information required to be contained on a return.

(e) "Reporting period," as used in subdivision (a), shall mean each calendar year specified on the request from the Franchise Tax Board.

(f) A return filed by a partnership under this part shall be deemed to have satisfied the reporting requirement of this section for the reporting period covered by the partnership return with respect to the investors in the partnership.

(g) The Franchise Tax Board shall establish a review process for all requests for information under this section comparable to the process of obtaining an administrative subpoena, including the requirement that a member of the Franchise Tax Board shall approve each request.

18649. A copy of the information furnished pursuant to Section 1275(c)(2) of the Internal Revenue Code shall be provided to the Franchise Tax Board by any issuer subject to tax under this part at the time and in the manner required by the Franchise Tax Board.

Article 5. Withholding

18661. When necessary to make effective the provisions of this article or Article 4 (commencing with Section 18631), the name and address of the recipient of income shall be furnished upon demand of the person paying the income.

18662. (a) The Franchise Tax Board may, by regulation, require any person, in whatever capacity acting (including lessees or mortgagors of real or personal property, fiduciaries, employers, and any officer or department of the state or any political subdivision or agency of the 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 items of income specified in subdivision (b), to withhold an amount, determined by the Franchise Tax Board to reasonably represent the amount of tax due when the items of income are included with other income of the taxpayer, and to transmit the amount withheld to the Franchise Tax Board at the time as it may designate.

(b) The items of income referred to in subdivision (a) are interest, dividends, rent, prizes and winnings, premiums, annuities, emoluments, compensation for services, including bonuses, partnership income or gains, and other fixed or determinable annual or periodical gains, profits, and income.

(c) The Franchise Tax Board may authorize the tax under subdivision (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(d) Any person failing to withhold from any payments any

amounts required by subdivision (a) to be withheld is liable for the amount withheld or the amount of taxes due from the person to whom the payments are made to an extent not in excess of the amounts required to be withheld, whichever is greater, unless it is shown that the failure to withhold is due to reasonable cause.

(e) (1) In the case of any disposition of a California real property interest by a person (but not a partnership as determined in accordance with Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code, or a corporation), when the return required to be filed with the Secretary of the Treasury under Section 6045(e) of the Internal Revenue Code indicates, or the authorization for the disbursement of the transaction's funds instructs, that the funds be disbursed either to a transferor with a last known street address outside the boundaries of this state at the time of the transfer of the title to the California real property or to the financial intermediary of the transferor, the transferee shall be required to withhold an amount equal to 3⅓ percent of the sales price of the California real property conveyed.

(2) In the case of any disposition of a California real property interest by a corporation, the transferee shall be required to withhold an amount equal to 3⅓ percent of the sales price of the California real property conveyed, if the corporation immediately after the transfer of the title to the California real property has no permanent place of business in California. For purposes of this subdivision, a corporation has no permanent place of business in California if all of the following apply:

(A) It is not organized and existing under the laws of California.

(B) It does not qualify with the office of the Secretary of State to transact business in California.

(C) It does not maintain and staff a permanent office in California.

(3) Notwithstanding any other provision of this subdivision, all of the following shall apply:

(A) No transferee shall be required to withhold any amount under this subdivision if the sales price of the California real property conveyed does not exceed one hundred thousand dollars ($100,000).

(B) No transferee shall be required to withhold any amount under this subdivision unless written notification of the withholding requirements of this subdivision has been provided by the real estate escrow person.

(C) No transferee shall be required to withhold under this subdivision when the transferor is a bank acting as trustee other than a trustee of a deed of trust.

(D) No transferee shall be required to withhold under this subdivision when the transferee is a bank or corporate beneficiary under a mortgage or beneficiary under a deed of trust and the California real property is acquired in judicial or nonjudicial foreclosure or by a deed in lieu of foreclosure.

(E) No transferee shall be required to withhold any amount

under this subdivision if the transferee, in good faith and based on all the information of which he or she has knowledge, relies on a written certificate executed by the transferor, certifying under penalty of perjury, any of the following:

(i) That the transferor is a resident of California.

(ii) That the California real property being conveyed is the principal residence of the transferor, within the meaning of Section 1034 of the Internal Revenue Code.

(iii) The transferor, if a corporation, has a permanent place of business in California.

(4) (A) At the request of the transferor, the Franchise Tax Board may authorize that a reduced amount or no amount be withheld under this subdivision if the Franchise Tax Board determines that to substitute a reduced amount or no amount shall not jeopardize the collection of tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001). If the transferor provides documentation sufficient for the Franchise Tax Board to determine the actual gain required to be recognized on the transaction, the Franchise Tax Board may authorize a reduced amount based on the amount of the gain, as determined, which will result in a sum which is substantially equivalent to the amount of tax reasonably estimated to be due under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) from the inclusion of the gain in the gross amount of the transferor.

(B) Within 45 days after receiving a request that a reduced amount or no amount be withheld, the Franchise Tax Board shall either authorize a reduced amount or no amount, or deny the request.

(C) In the case where the parties to the transaction are requesting that a reduced amount or no amount be withheld and the response by the Franchise Tax Board to the request has not been received at the time title to the California real property is transferred, the parties may direct the real estate escrow person to hold in trust for 45 days the amount required to be withheld under this subdivision. The parties shall instruct the real estate escrow person that at the end of 45 days the real estate escrow person shall remit the amount withheld to the Franchise Tax Board in accordance with this section, unless the Franchise Tax Board has authorized that a reduced amount or no amount be withheld.

(5) Amounts withheld and payments made in accordance with this subdivision shall be reported and remitted to the Franchise Tax Board in the form and at the time as the Franchise Tax Board shall determine.

(6) "California real property interest" means an interest in real property located in California and defined in Section 897(c)(1)(A)(i) of the Internal Revenue Code.

(7) For purposes of this subdivision, "financial intermediary" means an agent for the purpose of receiving and transferring funds to a principal.

(8) For purposes of this subdivision, "real estate escrow person" means any of the following persons involved in the real estate transaction:

(A) The person (including any attorney, escrow company, or title company) responsible for closing the transaction.

(B) If no other person described in subparagraph (A) is responsible for closing the transaction, then any other person who receives and disburses the consideration or value for the interest or property conveyed.

(9) (A) Unless the real estate escrow person provides "assistance," it shall be unlawful for any real estate escrow person to charge any customer for complying with the requirements of this subdivision.

(B) For purposes of this paragraph, "assistance" includes, but is not limited to, helping the parties clarify with the Franchise Tax Board the issue of whether withholding is required under this subdivision, helping the parties request that the Franchise Tax Board authorize a reduced amount or no amount be withheld under this subdivision, or, upon request of the parties, withholding an amount under this subdivision and remitting the amount to the Franchise Tax Board.

(C) For purposes of this paragraph, "assistance" does not include providing the written notification of the withholding requirements of this subdivision, or providing the certification that either:

(i) The transferor is a resident of California or that the California real property being conveyed is the transferor's principal residence.

(ii) The transferor, if a corporation, has a permanent place of business in California.

(D) In a case where the real estate escrow person provides "assistance" in complying with the withholding requirements of this subdivision, it shall be unlawful for the real estate escrow person to charge any customer a fee that exceeds forty-five dollars ($45).

(10) For purposes of this subdivision, "sales price" means the sum of all of the following:

(A) The cash paid, or to be paid. The term "cash paid, or to be paid" does not include stated or unstated interest or original issue discount (as determined by Sections 1271 to 1275, inclusive, of the Internal Revenue Code).

(B) The fair market value of other property transferred, or to be transferred.

(C) The outstanding amount of any liability assumed by the transferee or to which the California real property interest is subject immediately before and after the transfer.

(f) Whenever any person has withheld any amount pursuant to this section, the amount so withheld shall be held in trust for the State of California. The amount of the fund shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including penalties) as are applicable with respect to the taxes imposed by Part 10 (commencing with Section 17001), Part 11

(commencing with Section 23001), or this part.

18663. (a) The Franchise Tax Board shall annually (or more often if necessary) prepare and make available to the Employment Development Department, wage withholding tables which shall be used by every employer making payment of any wages to a resident employee for services performed either within or without this state; or to a nonresident employee for services performed in this state, to deduct and withhold from those wages for each payroll period, a tax computed in a manner as to produce, so far as practicable, with due regard to the credits for personal exemptions allowable under Section 17054, a sum which is substantially equivalent to the amount of tax reasonably estimated to be due under Part 10 (commencing with Section 17001) resulting from the inclusion in the gross income of the employee the wages which were subject to withholding.

(b) (1) For supplemental wages paid on or after January 1, 1992, the rate of withholding that may be applied to supplemental wages in lieu of the wage withholding tables specified in subdivision (a) shall be 6 percent.

(2) For purposes of this subdivision, "supplemental wages" includes, but is not limited to, bonus payments, overtime payments, commissions, sales awards, back pay including retroactive wage increases, and reimbursements for nondeductible moving expenses that are paid for the same or a different period, or without regard to a particular period.

18664. (a) The Franchise Tax Board shall implement a pilot project of withholding on payments to independent contractors doing business with state agencies. The purpose of the pilot project is to withhold income taxes on payments to independent contractors in a manner similar to current withholding on wages.

(b) The Franchise Tax Board may require the Controller or any officer or department of the state or any agency of the state to withhold an amount, as prescribed in subdivision (c), on all payments made pursuant to a contract between the state and any person other than a corporation, for which the primary purpose is the providing of personal services to the state and for which the total price of the contract exceeds six hundred dollars ($600). For purposes of this section, "personal services" does not include services rendered as part of a construction contract. The amount withheld shall be transmitted to the Franchise Tax Board at the time and in a manner that the Franchise Tax Board may require.

(c) The amount to be withheld shall be 1 percent of each payment under the contract. That percentage is deemed to take into account the trade or business expenses allowable under Part 10 (commencing with Section 17001). In lieu of this, the contractor may elect that the amount to be withheld be 3 percent of each payment under the contract less a reasonable allowance for trade or business expenses allowable under Part 10 (commencing with Section 17001). The contractor shall demonstrate the reasonableness of the allowance for trade or business expenses to the Franchise Tax Board in a manner

that the Franchise Tax Board may require.

(d) The Franchise Tax Board shall develop and publish forms and procedures for reporting and remitting payments made and taxes withheld under this section.

(e) This section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1995, deletes or extends that date.

18665. Unless otherwise specifically provided, the provisions of any law effecting changes in withholding shall begin with withholding in the calendar year succeeding the year the provision was chaptered, or the provision is operative, whichever is later.

18666. (a) Section 1446 of the Internal Revenue Code shall apply to the extent that the amounts represent income from California sources, except as otherwise provided.

(b) (1) The rate of tax referred to in Section 1446(b) (2) (A) of the Internal Revenue Code shall be the maximum tax rate specified in Section 17041, rather than the rate specified in Section 1 of the Internal Revenue Code.

(2) The rate of tax referred to in Section 1446(b) (2) (B) of the Internal Revenue Code shall be the rate specified in Section 23151, 23181, or 23183, as applicable, rather than the rate specified in Section 11 of the Internal Revenue Code.

18667. The Franchise Tax Board may require employers to submit copies of income tax withholding exemption certificates. If the Franchise Tax Board determines that a certificate is invalid for state income tax purposes, the Franchise Tax Board shall notify the employer and the affected employee of its determination. An employee who disagrees with the Franchise Tax Board's determination may request review of the determination by filing a written petition in the form and within the time prescribed by the Franchise Tax Board. After review, the Franchise Tax Board shall give written notification of its decision to both the employer and the employee.

18668. (a) Every person required under this article to deduct and withhold any tax is hereby made liable for that tax, to the extent provided by this section and, insofar as they are not inconsistent with this article, all the provisions of this part relating to penalties, interest, assessment, and collections shall apply to persons subject to this part, and for these purposes any amount required to be deducted and paid to the Franchise Tax Board under this article shall be considered the tax of the person. Any person who fails to withhold from any payments any amount required to be withheld under this article is liable for the amount withheld or the amount of taxes due from the taxpayer to whom the payments are made but not in excess of the amount required to be withheld, whichever is more, unless it is shown that the failure to withhold is due to reasonable cause.

(b) If any amount required to be withheld under this article is not paid to the Franchise Tax Board on or before the due date required by regulations, interest shall be assessed at the adjusted annual rate

established pursuant to Section 19521, computed from the due date to the date paid.

(c) Whenever any person has withheld any amount pursuant to this article, the amount so withheld shall be held to be a special fund in trust for the State of California.

(d) In lieu of the amount provided for in subdivision (a), unless it is shown that the failure to withhold is due to reasonable cause, whenever any transferee is required to withhold any amount pursuant to subdivision (e) of Section 18662, the transferee is liable for the greater of the following amounts for failure to withhold only after the transferee, as specified, is notified in writing of the requirements under subdivision (e) of Section 18662:

(1) Five hundred dollars ($500).

(2) Ten percent of the amount required to be withheld under subdivision (e) of Section 18662.

(e) (1) Unless it is shown that the failure to notify is due to reasonable cause, the real estate escrow person shall be liable for the amount specified in subdivision (d), when written notification of the withholding requirements of subdivision (e) of Section 18662 is not provided to the transferee and the California real property disposition is subject to withholding under subdivision (e) of Section 18662.

(2) The real estate escrow person shall provide written notification to the transferee in substantially the same form as follows:

"In accordance with Section 18662 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3⅓ percent of the sales price in the case of a disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the seller, OR

2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars ($500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars ($100,000), OR

2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR

3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being

conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue Code)."

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

(3) The real estate escrow person shall not be liable under this subdivision, if the tax due as a result of the disposition of California real property is paid by the original or extended due date of the transferor's return for the taxable or income year in which the disposition occurred.

(4) The real estate escrow person and the transferee shall not be liable under paragraph (1) or subdivision (d), if the failure to withhold is the result of the real estate escrow person's reliance, based on good faith and on all the information of which he or she has knowledge, upon a written certificate executed by the transferor under penalty of perjury certifying to any of the following:

(A) That the transferor is a resident of California.

(B) That the California real property being conveyed is the principal residence of the transferor within the meaning of Section 1034 of the Internal Revenue Code.

(C) The transferor, if a corporation, has a permanent place of business in California.

(5) Any transferor who for the purpose of avoiding the withholding requirements of subdivision (e) of Section 18662 knowingly executes a false certificate pursuant to this subdivision shall be liable for twice the amount specified in subdivision (d).

(6) Unless the failure to notify is due to willful disregard of the withholding requirements of subdivision (e) of Section 18662, the real estate escrow person shall not be liable under this subdivision if the disposition of California real property occurs prior to July 1, 1991.

(f) The amount of tax required to be deducted and withheld under this article shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including penalties) as are applicable with respect to the taxes imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

18669. (a) Whenever any payer required to deduct and withhold tax under this article sells, transfers, dissolves, withdraws, terminates, or otherwise disposes of the business or a substantial portion of its assets, the successors (including assigns, purchasers, heirs, distributees, beneficiaries, or other persons acquiring either a substantial portion of the assets or the business) shall withhold in trust a sufficient part of the purchase price or set aside in trust money or property to cover the amount of the taxes required to be withheld and any interest or penalties with respect thereto which are due or unpaid by the payer. The money, property or portion of the purchase price shall be held in trust until a certificate is issued by the Franchise

Tax Board stating that no amount of such tax, interest, or penalties are due or unpaid from the payer.

(b) Upon written request by the successor, the Franchise Tax Board shall, within 60 days, issue a certificate or a statement showing the amount of tax, interest, and penalties due from the payer. Except as provided in subdivision (c), failure to issue a certificate or statement within the 60-day period shall be deemed equivalent to the issuance of a certificate stating that no tax, interest, or penalties are due. If the Franchise Tax Board issues a statement showing that taxes, interest, and penalties are claimed to be due, the amount stated therein (not in excess of the fair market value of the assets or business acquired) shall be paid by the successor to the Franchise Tax Board within (1) 30 days after the statement is mailed or delivered to the successor, or (2) on the day the business or assets are acquired, whichever occurs last. If a request for a certificate is not made by the successor, the amount of tax, interest, or penalties due or unpaid by the payer shall be paid by the successor to the Franchise Tax Board on the day the business or assets are acquired. If a successor fails to pay the amount required by this section by the time prescribed in this subdivision, a penalty of 10 percent of the amount payable shall be levied.

(c) The issuance of a certificate stating that no taxes, interest, and penalties are due, or the failure to issue the certificate or statement within the period of 60 days shall not release the payer from liability on account of any taxes, interest, and penalties then or thereafter determined to be due from him or her, but shall release the successor from any further liability on account of any such taxes, interest, and penalties. Payment by the successor pursuant to subdivision (b) shall not release the payer from liability except to the extent of the amount paid by the successor.

(d) Any successor that fails to withhold money or other property or fails to pay the amount or value of the property withheld as provided in this section shall be personally liable for the payment of the taxes, interest, and penalties due from the payer up to but not exceeding the fair market value of the assets or business acquired. The Franchise Tax Board shall have all of the remedies for collection against any successor that acquires the business or substantially all the assets thereof of a payer as provided by this part against any payer liable for taxes, interest, and penalties. The time within which the obligation may be enforced against the successor acquiring the business or substantially all the assets thereof of a payer shall commence from (1) the date the successor acquires the assets or business, (2) the date an assessment against the successor payer becomes final, or (3) 31 days after the statement is mailed or delivered to the successor if a certificate is requested by the successor as provided in subdivision (b), whichever of the three events is later.

18670. (a) The Franchise Tax Board may by notice, served personally or by first-class mail, require any employer, person, officer or department of the state, political subdivision or agency of the

state, including the Regents of the University of California, a city organized under a freeholders' charter, or a political body not a subdivision or agency of the state, having in their possession, or under their control, any credits or other personal property or other things of value, belonging to a taxpayer or to an employer or person who has failed to withhold and transmit amounts due pursuant to this article, to withhold, from the credits or other personal property or other things of value, the amount of any tax, interest, or penalties due from the taxpayer or the amount of any liability incurred by that employer or person for failure to withhold and transmit amounts due from a taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at the times that it may designate. However, in the case of a depository institution, as defined in Section 19(b) of the Federal Reserve Act (12 U.S.C.A. Sec. 461(b)(1)(A)), amounts due from a taxpayer under this part shall be transmitted to the Franchise Tax Board not less than 10 business days from receipt of the notice. To be effective, the notice shall state the amount due from the taxpayer and shall be delivered or mailed to the branch or office reported in information returns filed with the Franchise Tax Board, or the branch or office where the credits or other property is held, unless another branch or office is designated by the employer, person, officer or department of the state, political subdivision or agency of the state, including the Regents of the University of California, a city organized under a freeholders' charter or a political body not a subdivision or agency of the state.

(b) (1) At least 45 days before sending a notice to withhold to the address indicated on the information return, the Franchise Tax Board shall request a depository institution to do either of the following:

(A) Verify that the address on its information return is its designated address for receiving notices to withhold.

(B) Provide the Franchise Tax Board with a designated address for receiving notices to withhold.

(2) Once the depository institution has specified a designated address pursuant to paragraph (1), the Franchise Tax Board shall send all notices to that address unless the depository institution provides notification of another address. The Franchise Tax Board shall send all notices to withhold to a new designated address 30 days after notification.

(3) Failure to verify or provide a designated address within 30 days of receiving the request shall be deemed verification of the address on the information return as the depository institution's designated address.

(c) Any bank, corporation, or person failing to withhold the amounts due from any taxpayer and transmit them to the Franchise Tax Board after service of the notice shall be liable for those amounts. However, in the case of a depository institution, if a notice to withhold is mailed to the branch where the account is located or principal banking office, the depository institution shall be liable for

a failure to withhold only to the extent that the accounts can be identified in information normally maintained at that location in the ordinary course of business.

18671. (a) Subject to the limitations in subdivisions (b) and (c), the Franchise Tax Board, may, by notice, served personally or by first-class mail, require any person, officer, department of the state, or political subdivision or agency of the state including the Regents of the University of California, a city organized under a freeholder's charter, or a political body not a subdivision or agency of the state, to withhold the amount of any tax, interest, or penalties due from a taxpayer, or the amount due from an employer or person who has failed to withhold and transmit amounts due pursuant to this article, from any payments due the taxpayer, employer, or person and from any payments becoming due the taxpayer, employer, or person after receipt of the notice. The amounts withheld shall be transmitted to the Franchise Tax Board at those times as it may designate.

(b) The effect of a levy made pursuant to subdivision (a) shall be continuous from the date the notice is received until the amount due stated on the notice has been withheld, until the notice has been withdrawn, or until one year after the date the notice is received, whichever occurs first.

(c) The amount required to be withheld pursuant to a notice issued under subdivision (a) is the lesser of the amount due stated on the notice, or either of the following:

(1) If the taxpayer, employer, or person is not a natural person, 100 percent of the amount of each payment due or becoming due the taxpayer, employer, or person during the period the levy is in effect as provided in subdivision (b).

(2) If the taxpayer, employer, or person is a natural person, 25 percent of the amount of each payment due or becoming due the taxpayer, employer, or person during the period the levy is in effect as provided in subdivision (b).

(d) For purposes of this section, the term "payments" does not include earnings as defined in subdivision (a) of Section 706.011 of the Code of Civil Procedure or funds in a deposit account as defined in Section 9105 of the Commercial Code. The term "payments" does include any of the following:

(1) Payments due for services of independent contractors, dividends, rents, royalties, residuals, patent rights, mineral, or other natural resource rights.

(2) Payments or credits due or becoming due as a result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise.

(3) Any other payments or credits due or becoming due periodically as a result of an enforceable obligation to the taxpayer, employer, or person.

18672. Any employer or person failing to withhold the amount due from any taxpayer and to transmit the same to the Franchise Tax Board after service of a notice pursuant to Section 18670 or 18671 is

liable for those amounts.

18674. (a) Any employer or person required to withhold and transmit any amount pursuant to this article shall comply with the requirement without resort to any legal or equitable action in a court of law or equity. Any employer or person paying to the Franchise Tax Board any amount required by it to be withheld is not liable therefor to the person from whom withheld unless the amount withheld is refunded to the withholding agent. However, if a depository institution, as defined in 12 U.S.C. Sec. 461 (b) (1) (A) withholds and pays to the Franchise Tax Board pursuant to this article any moneys held in a deposit account in which the delinquent taxpayer and another person or persons have an interest, or in an account held in the name of a third party or parties in which the delinquent taxpayer is ultimately determined to have no interest, the depository institution paying those moneys to the Franchise Tax Board is not liable therefor to any of the persons who have an interest in the account, unless the amount withheld is refunded to the withholding agent.

(b) In the case of a deposit account or accounts for which this notice to withhold applies, the depository institution shall send a notice by first-class mail to each person named on the account or accounts included in the notice from the Franchise Tax Board, provided that a current address for each person is available to the institution. This notice shall inform each person as to the reason for the hold placed on the account or accounts, the amount subject to being withheld, and the date by which this amount is to be remitted to the Franchise Tax Board. An institution may assess the account or accounts of each person receiving this notice a reasonable service charge not to exceed three dollars ($3).

(c) Any employer or person required under this article to withhold payments from a taxpayer may file an action in interpleader when a bona fide dispute has arisen as to priority of lien between the tax levied under this part and that of a federal taxing agency.

18675. Any person from whom a tax is collected by withholding under this article or under Section 13020 of the Unemployment Insurance Code is entitled to the remedies set forth in Articles 1 (commencing with Section 19301) and 3 (commencing with Section 19381) of Chapter 6. Any refund of the tax under Chapter 6 (commencing with Section 19301) shall be made to the withholding agent instead of directly to the taxpayer, if requested in writing by the withholding agent at the time the amounts refundable were transmitted to the Franchise Tax Board.

18676. Whenever, under any provision of this article, service is authorized upon the state of any notice to withhold, unless expressly exempted from the provisions of this section, the service to be effective must, in addition to any other requirements, be made on the state agency owing the obligation prior to the time the agency presents the claim for payment thereof to the Controller.

18677. (a) For purposes of this article, if a lender, surety, or other person, who is not an employer under those sections with respect to an employee or group of employees, pays wages directly to such an employee or group of employees, employed by one or more employers, or to an agent on behalf of the employee or employees, the lender, surety, or other person shall be liable in his or her own person and estate to this state in a sum equal to the taxes (together with interest) required to be deducted and withheld from the wages by the employer.

(b) If a lender, surety, or other person supplies funds to or for the account of an employer for the specific purpose of paying wages of the employees of the employer, with actual notice or knowledge that the employer does not intend to or will not be able to make timely payment or deposit of the amounts of tax required by this part to be deducted and withheld by the employer from those wages, the lender, surety, or other person shall be liable in his or her own person and estate to the State of California in a sum equal to the taxes (together with interest) which are not paid over to this state by the employer with respect to the wages. However, the liability of the lender, surety, or other person shall be limited to an amount equal to 25 percent of the amount so supplied to or for the account of the employer for that purpose.

(c) Any amounts paid to this state pursuant to this section shall be credited against the liability of the employer.

CHAPTER 3. VOLUNTARY CONTRIBUTIONS

Article 1. California Election Campaign Fund

18701. This article shall be known and may be cited as the California Election Campaign Fund Act.

18702. The Legislature finds and declares:

(a) Candidates are now frequently dependent on large contributions from wealthy individuals and interest groups for campaign financing. Individuals and interest groups who make large contributions thus may enjoy disproportionate access to public officials and influence in government decisionmaking. Large contributions may also impede the solicitation of small contributions.

(b) This act seeks to reduce candidate dependence on large contributions and the excessive influence of large contributors, by providing qualified political parties with a campaign fund based on small contributions, which fund shall be used to assist candidates under the direction of the state parties and certain of their elected representatives.

18703. (a) Every individual, who is lawfully able to make contributions to qualified political parties in California, may designate the payment of one dollar ($1), five dollars ($5), ten dollars ($10), or twenty-five dollars ($25), in addition to his or her income tax liability to be paid over to the California Election

Campaign Fund in accordance with the provisions of this article. In the case of a joint return of individuals, each spouse may separately designate that one dollar ($1), five dollars ($5), ten dollars ($10), or twenty-five dollars ($25), shall be paid to that fund.

(b) For the purposes of subdivision (a), the California income tax liability of an individual for any taxable year is the amount of his or her total income tax liability for that taxable year pursuant to the applicable provisions of this code.

(c) If an individual chooses to contribute an amount as provided for in subdivision (a) to the California Election Campaign Fund under subdivision (a), he or she shall designate on the applicable California tax return which of the qualified political parties of the State of California the contribution shall benefit. The Franchise Tax Board shall revise the forms for reporting California tax liability in accordance with this section.

18704. (a) There is hereby established in the State Treasury a special fund to be known as the California Election Campaign Fund (hereafter referred to as "the fund"), to which the Controller shall transfer an amount not in excess of the sum of the amounts certified by the Franchise Tax Board under subdivision (b). There is hereby appropriated to the fund for each fiscal year from the General Fund, an amount equal to the sum of the amounts so certified during each fiscal year, which shall remain available to the fund without fiscal year limitation; provided, however, that the Controller and the Franchise Tax Board may designate a reasonable amount to be retained by the state from the fund in order to compensate the state for reasonable administrative expenses connected with the operation of the fund.

(b) (1) On or before July 1 of each year, the Franchise Tax Board shall certify to the Controller the total amount designated by April 15 of that year for the benefit of each qualified political party in accordance with this section. On or before July 15 of each year, the Controller shall pay to each qualified political party from the fund the amount so certified.

(2) The Chair of the State Central Committee of each qualified political party is hereby authorized to receive payments on behalf of that party from the fund.

18705. On or before each calendar year, the Secretary of State shall forward to the Franchise Tax Board a list of qualified political parties. Qualification in the State of California shall be determined in accordance with Section 6430 of the Elections Code from the most recent election for which officially canvassed results are available. Any sums designated to a political party which are not qualified pursuant to this section shall be retained by the state for its General Fund.

(a) The Chair of the State Central Committee of each political party receiving payments pursuant to this chapter shall segregate those moneys and disburse them only upon his or her determination that a majority of a committee composed as follows concurs in each

such disbursement:

(1) Chair of that party.

(2) As to the majority party of the Assembly, its Speaker; or, as to each minority party of the Assembly, that party's Minority Leader.

(3) As to the majority party of the Senate, its President pro Tempore; or, as to each minority party of the Senate, that party's Minority Leader.

(b) As to any party unrepresented by both paragraphs (2) and (3) of subdivision (a), its chair shall be the sole member of the committee provided for in subdivision (a).

(c) As to any party unrepresented by one, but not both, of the categories specified in paragraphs (2) and (3) of subdivision (a), the two members of that committee provided for by subdivision (a) shall choose a third member to serve for each calendar year.

(d) Any funds received by a committee's political party which are disbursed by the committee to candidates shall be disbursed only to candidates for state office in connection with a statewide general election.

18706. This article shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1997, deletes or extends that date.

Article 2. State Children's Trust Fund

18711. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the State Children's Trust Fund.

(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 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. In the event that no designee is specified, the contribution shall, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, be transferred to the General Fund. The individual shall be notified in cases where the discrepancy between the amount actually available for designation and the amount designated exceeds ten dollars ($10).

(d) If an individual 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 form of the return to include a space labeled the "State Children's Trust Fund For the Prevention of Child Abuse" to allow for the designation permitted

under subdivision (a).

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18712. (a) The Franchise Tax Board shall determine annually the total amount designated pursuant to this article and notify the Controller of that amount.

(b) The Controller shall transfer that amount, less the direct, actual costs of the Franchise Tax Board for the collection and administration of funds under this article, to the State Children's Trust Fund. The Controller shall transfer the amount of the board's costs to the board. Notwithstanding Section 13340 of the Government Code, money transferred to the Franchise Tax Board pursuant to this section is hereby continuously appropriated, without regard to fiscal years, to reimburse the board for its costs incurred pursuant to this article.

18713. It is the intent of the Legislature that this article create an additional source of funding for a specified purpose. The funds generated by this article shall not be used in place of funds from other sources which are available for appropriation to the State Children's Trust Fund.

18714. This article applies to taxable years ending on or after December 31, 1983.

18715. (a) This article shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1997, deletes that date, in which event subdivision (b) shall apply.

(b) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. If necessary, for years after the repeal date in subdivision (a) is deleted, the Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1992, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

Article 3. California Fund for Senior Citizens

18721. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Fund for Senior Citizens established by Section 18722 to be used to conduct the sessions of the California Senior Legislature and to support its ongoing activities on behalf of older persons.

(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 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 individual's account do not exceed the tax liability, if any, shown thereupon, the return shall be treated as though no designation had been made.

In the event that no designee is specified, the contribution shall, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, be transferred to the General Fund.

The individual shall be notified in cases where the discrepancy between the amount actually available for designation and the amount designated exceeds ten dollars ($10).

(d) In the event an individual 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 "California Fund for Senior Citizens" 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 will be used to conduct the sessions of the California Senior Legislature and to support its ongoing activities on behalf of older persons.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18722. There is hereby established in the State Treasury the

California Fund for Senior Citizens to receive contributions made pursuant to Section 18721.

The Franchise Tax Board shall notify the Controller of both the amount of money paid by individuals in excess of their tax liability and the amount of refund money which individuals have designated pursuant to Section 18721 to be transferred to the California Seniors' Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Fund for Senior Citizens an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18721 for payment into that fund.

18723. (a) All moneys transferred to the California Fund for Senior Citizens pursuant to Section 18722, upon appropriation by the Legislature, shall be allocated as follows:

(1) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(2) To the California Commission on Aging for allocation as follows:

(A) To the California Senior Legislature, in the 1988–89 fiscal year, and each succeeding fiscal year thereafter, the sum of seventy-five thousand dollars ($75,000), or the balance of the fund if less than that amount remains in the fund, for the conduct of sessions of the California Senior Legislature.

(B) The balance, if any, but not to exceed two hundred fifty thousand dollars ($250,000), to the California Senior Legislature for its ongoing activities on behalf of older persons.

Thirty-three thousand dollars ($33,000) of the balance allocated under this subparagraph, or the entire balance allocated under this subparagraph if the balance is less than thirty-three thousand dollars ($33,000), shall be specifically allocated annually for the conduct of elections of members of the California Senior Legislature. That amount may be carried over from fiscal years in which there are no elections and accumulated, in an amount not to exceed sixty-six thousand dollars ($66,000), for use in election years, and any portion of that amount not used in an election year shall be reallocated pursuant to subparagraph (C).

(C) The balance, if any, to the commission for senior citizen direct service programs through contracts with the Department of Aging and Long-Term Care.

(b) All moneys allocated pursuant to paragraph (2) of subdivision (a) may be carried over from the year in which they were received and encumbered in any following year.

(c) The amount allocated pursuant to subparagraphs (A) and (B) of paragraph (2) of subdivision (a) may be adjusted annually, as determined by the Department of Finance, to reflect changes in salary adjustments, price increases, and travel reimbursement adjustments included for all state agencies in the annual Budget Act.

18724. (a) This article shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute,

which is enacted before January 1, 1997, deletes that date, in which event subdivision (b) shall apply.

(b) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. If necessary, for years after the repeal date in subdivision (a) is deleted, the Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1992, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

Article 4. Designations for the Veterans Memorial Account

18731. (a) Any taxpayer may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Veterans Memorial Account in the General Fund, as established pursuant to Section 1316 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, 1991, and before January 1, 1996, 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 Veterans Memorial Account 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 California veterans.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18732. 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 Veterans Memorial Account in the General Fund an amount equal to the total amount designated by individuals pursuant to Section 18731 for payment into that account.

18733. Notwithstanding Section 13340 of the Government Code, all money transferred to the Veterans Memorial Account in the General Fund pursuant to Section 18732 is hereby continuously appropriated, without regard to fiscal years, for allocation as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) (1) To the Veterans Memorial Commission established pursuant to Section 1310 of the Military and Veterans Code for use in the construction, maintenance, and operation of a suitable memorial to veterans at the State Capitol, including the amount of one hundred thousand dollars ($100,000) for purposes of repair of the memorial. Any modifications or alterations of, or addition to, the Veterans Memorial shall be performed in accordance with criteria established by the Veterans Memorial Commission.

(2) For purposes of this subdivision, "operation" includes, but is not limited to, developing and publishing informational brochures for the memorial, producing an information film about the memorial, and conducting tours of the memorial.

(c) If moneys in the account exceed the amount required to construct, improve, maintain, or repair a Veterans Memorial, the balance shall be allocated by the Veterans Memorial Commission to be used for the construction, improvement, or repair of other veterans' memorials as designated by that commission.

(d) Any moneys allocated to the Veterans Memorial Commission

pursuant to subdivision (c) may be deposited by that commission in a trust account in a private financial institution.

(e) Those moneys identified in subdivision (b) for the purpose of the repair of the Veterans Memorial may be deposited in a separate special account to be disbursed as required by the Director of Veterans Affairs.

18734. (a) This article shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute which is enacted before January 1, 1997, deletes that date, in which event subdivision (b) shall apply.

(b) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on and after January 1 of that calendar year. If necessary, for years after the repeal date in subdivision (a) is deleted, the Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1992, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

Article 5. Fish and Game Preservation Fund

18741. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account in the Fish and Game Preservation Fund.

(b) The contribution shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the initial return for that taxable year, and once made shall be irrevocable. If payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the tax liability, if any, shown thereon, the return shall be treated as though no designation had been made. If no designee is specified, the contribution shall, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, be transferred to the General Fund. The individual shall be notified in cases where the discrepancy between the amount actually available for designation and the amount designated exceeds ten dollars ($10).

(d) If an individual 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 form of the return to include a space labeled "Rare and Endangered Species Preservation Program" to allow for the designation permitted under subdivision (a).

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18742. (a) The Franchise Tax Board shall determine annually the total amount designated and available pursuant to this article and notify the Controller of that amount.

(b) The Controller shall transfer that amount, less the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article, to the Fish and Game Preservation Fund to be credited by the Department of Fish and Game to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account. Notwithstanding Section 13340 of the Government Code, all money transferred to the Fish and Game Preservation Fund, under this article, is hereby continuously appropriated to the Department of Fish and Game for the purposes specified in Section 1771 of the Fish and Game Code, and is subject to review by the budget committees of the Legislature. The Controller shall transfer the amount of the costs of the Franchise Tax Board to the Franchise Tax Board.

18743. It is the intent of the Legislature that this article create an additional funding for programs for endangered and rare animals and native plant species and shall be used to supplement, not supplant, other funding sources for these programs.

18744. This article applies to taxable years ending on or after December 31, 1983.

18745. (a) This article shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute,

which is enacted before January 1, 1997, deletes that date, in which event subdivision (b) shall apply.

(b) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on and after January 1 of that calendar year. If necessary, for years after the repeal date in subdivision (a) is deleted, the Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1992, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

Article 6. California Alzheimer's Disease and Related Research Fund

18761. The Legislature finds and declares all of the following:

(a) Alzheimer's disease and related disorders are devastating health conditions which affect a significant number of Californians and can cause serious financial, social, and emotional hardships on the victims and their family caregivers. Approximately 50 percent of all nursing home admissions in the state may be attributable to Alzheimer's disease and related disorders.

(b) There is no known cause or cure for Alzheimer's disease at this time. It is also acknowledged that its continued progression over time can lead to other medical disorders that generally prove fatal.

(c) It is the intent of the Legislature, in enacting this article, to establish a systematic program for the conduct of research regarding

the cause, cure, and treatment of Alzheimer's disease and related disorders. The outcome of this research may have direct effects and consequences on the development of a comprehensive system which will provide diagnoses and treatment to victims of those health problems. This program shall award grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling those organizations and persons to conduct research.

18762. For the purposes of this article, "research" shall include, but not be limited to, expenditures to develop and advance the understanding, techniques, and modalities effective in the care, treatment, and cure of Alzheimer's victims and their families.

18763. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Alzheimer's Disease and Related Disorders Research Fund, which is established by Section 18764.

(b) The contributions 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 on the individual return for that taxable year, and once made shall be irrevocable. In event that payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the individual's tax liability, the return shall be treated as though no designation has been made. In the event that no designee is specified, the contribution shall be transferred to the General Fund, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and the administration of funds under this article.

(d) In the event an individual 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 "Alzheimer's Disease/Related Disorders Fund" to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions information that the contribution may be in the amount of one dollar ($1) or more and that the contribution shall be used to conduct research relating to the cure and treatment of Alzheimer's disease.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18764. There is in the State Treasury the California Alzheimer's Disease and Related Disorders Research Fund to receive contributions made pursuant to Section 18763. The Franchise Tax Board shall notify the Controller of both the amount of money paid by individuals in excess of their tax liability and the amount of refund money which individuals have designated pursuant to Section 18763 to be transferred to the California Alzheimer's Disease and Related

Disorders Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Alzheimer's Disease and Related Disorders Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18763 for payment into that fund.

18765. All money transferred to the California Alzheimer's Disease and Related Disorders Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the appropriate state department as established by the Secretary of the Health and Welfare Agency in consultation with the Department of Aging, and any others which the secretary deems appropriate. These funds shall be expended for the purpose of conducting research relating to the care, treatment, and the cure of Alzheimer's disease through contracts or grants developed and awarded as determined by the Secretary of the Health and Welfare Agency, in consultation with the Department of Aging and any others which the secretary deems appropriate.

18766. (a) This article shall remain in effect only until January 1, 1997, and as of that date, is repealed unless a later enacted statute, which is enacted before January 1, 1997, deletes that date, in which event subdivision (b) shall apply.

(b) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on and after January 1 of that calendar year. If necessary, for years after the repeal date in subdivision (a) is deleted, the Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1992, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of

the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

Article 7. Designations to the California Seniors Special Fund

18771. (a) Any individual who is allowed the credit under subdivision (c) of Section 17054 may designate on the tax return that a contribution is being made in an amount not to exceed the amount of the credit, without regard to Section 17054.1, which is to be paid to the California Seniors Special Fund.

(b) The contribution may be made individually by each eligible signatory on the joint return who is allowed the credit under subdivision (c) of Section 17054.

(c) The individual's return shall be treated as if no designation is made under this article if either of the following apply:

(1) The credit allowed by subdivision (c) of Section 17054 reported on the return is insufficient to cover the amount of the contribution.

(2) Payments and credits reported on the return, together with any other credits associated with the taxpayer's return are insufficient to cover the amount of tax owed plus the contribution.

(d) A designation under subdivision (a) shall be made for any taxable year on the initial return for that taxable year, and once made shall be irrevocable.

(e) The Franchise Tax Board shall revise the forms of the return to allow for the designation permitted under subdivision (a).

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18772. There is hereby established in the State Treasury the California Seniors Special Fund to receive contributions made pursuant to Section 18771.

The Franchise Tax Board shall notify the Controller of the amount of the credits designated pursuant to Section 18771 to be transferred into the California Seniors Special Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Seniors Special Fund an amount not in excess of the sum of the credits designated by individuals pursuant to Section 18771 for payment into that fund.

18773. (a) All money transferred to the California Seniors Special Fund pursuant to Section 18771 shall, upon appropriation, be allocated as follows:

(1) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(2) To the California Commission on Aging, the sum of eighty thousand dollars ($80,000) in each fiscal year, or the balance of the fund if less than that amount remains for the operational support of the Area Agency on Aging Advisory Council of California (TACC) for its advocacy efforts on behalf of the senior citizens of California.

(3) The balance, if any, to the California Department of Aging for allocation on a per capita basis of individuals 60 years of age or older to the area agencies on aging for the support of direct services to senior citizens, as those services have been identified in each agency's area plan. Each area agency on aging which elects to receive moneys from the California Seniors Special Fund shall include in their annual report a narrative describing the amount of moneys so received and the purposes for which the money was expended.

(b) All moneys allocated pursuant to paragraph (2) of subdivision (a) may be carried over from the year in which they were received and encumbered in any following year.

(c) The amount allocated pursuant to paragraph (2) of subdivision (a) may be adjusted annually, as determined by the Department of Finance, to reflect changes in salary adjustments, price increases, and travel reimbursement adjustments included for all state agencies in the annual Budget Act.

Article 8. Designations to the California Breast Cancer Research Fund

18791. The Legislature finds and declares all of the following:

(a) Breast cancer is a devastating health condition which will affect one out of nine American women during their lifetimes. Every three minutes a woman is diagnosed with breast cancer and every 12 minutes a woman dies of breast cancer. In 1992, 182,000 women in the United States will be diagnosed with breast cancer and 46,300 will die from the disease. In 1992, nearly 19,000 California women will be diagnosed with breast cancer and 7,000 will die from the disease. Periodic mammography screening has reduced breast cancer mortality by almost 50 percent. Nearly 15 percent of early tumors are not detected on mammograms. Thirty percent of all tumors found on mammograms are missed due to poorly performed or misinterpreted tests. The direct and indirect costs concerning a breast cancer diagnosis exact a huge economic toll of eight billion dollars ($8,000,000,000) a year, with the impact on the health system, the loss of worktime, the loss of women employees and lives lost to a disease that bankrupts families emotionally and economically.

(b) There is no known cause, cure, or prevention at this time for breast cancer. Women are encouraged to screen themselves and be screened for breast cancer. According to some studies early detection through mammography reduces the rate of death from breast cancer by 30 to 50 percent. The state of breast cancer screening must be continually improved to identify breast tumors.

Current techniques for breast cancer screening include mammography, both film screen and xerography, and ultrasound.

(c) It is the intent of the Legislature in enacting this article, to establish a systematic program to conduct research regarding the cause, cure, and prevention of breast cancer. The outcome of this research may have direct effects and consequences on the development of a comprehensive system which may identify the cause, cure, and prevention of breast cancer as well as improving the screening, diagnoses and treatment of victims of breast cancer. This program shall award grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling organizations and persons to conduct research.

18792. For the purpose of this article, "research" shall include, but not be limited to, expenditures to develop and advance the understanding, techniques, and modalities effective in the prevention, cure, screening, and treatment of breast cancer.

18793. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Breast Cancer Research Fund, which is established by Section 18794.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on the joint return.

(c) A designation shall be made for any taxable year on the individual 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 individual's account, do not exceed the individual's liability, the return shall be treated as though no designation has been made. In the event that no designee is specified, the contribution shall be transferred to the General Fund, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and the administration of funds under this article.

(d) In the event an individual 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 "California Breast Cancer Research Fund" to allow for the designation permitted. The forms shall also include in the instructions information that the contribution may be in the amount of one dollar ($1) or more and that the contribution shall be used to conduct research relating to the cure, screening, and treatment of breast cancer.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18794. There is in the State Treasury the California Breast Cancer Research Fund to receive contributions made pursuant to Section

18793. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18793 to be transferred to the California Breast Cancer Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Breast Cancer Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18793 for payment into that fund. It is the intent of the Legislature that the 1992 tax return include a space for the California Breast Cancer Research Fund to take the place of the United States Olympic Committee Fund, as it appeared on the 1990 tax return.

18795. All money transferred to the California Breast Cancer Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the State Department of Health Services. These funds shall be expended for the purpose of conducting research relating to the prevention, cure, screening, and treatment of breast cancer disease through contracts or grants developed and awarded as determined by the State Department of Health Services.

18796. (a) This article shall remain in effect only until January 1, 1998, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1998, deletes that date, in which event subdivision (b) shall apply.

(b) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000), or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on and after January 1 of that calendar year. If necessary, for years after the repeal date in subdivision (a) is deleted, the Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1993, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

CHAPTER 4. PAYMENTS AND ASSESSMENTS

Article 1. Payment of Tax by All Persons

19001. Except as provided by Article 2 (commencing with Section 19021), the tax imposed under Part 10 (commencing with Section 17001) and Part 11 (commencing with Section 23001) shall be paid at the time and place fixed for filing the return (determined without regard to any extension of time for filing the return).

19002. (a) The amount withheld under Article 5 (commencing with Section 18661) of Chapter 2 or Section 13020 of the Unemployment Insurance Code during any calendar year shall be allowed to the recipient of the income as a credit against the tax for the taxable year with respect to which the amount was withheld.

(b) In the case of a partnership or S corporation filing a group return as agent for electing nonresident partners or shareholders in accordance with Section 18535, for purposes of this part, the amount withheld under Article 5 (commencing with Section 18661) of Chapter 2 during any taxable year shall be allowed as a credit attributable to the partnership or S corporation on the group return for the taxable year with respect to which that amount was withheld.

(c) (1) For purposes of Section 19306, any tax actually deducted and withheld during any calendar year under Article 5 (commencing with Section 18661) of Chapter 2 or Section 13020 of the Unemployment Insurance Code shall, in respect of the recipient of the income, be deemed to have been paid on the last day prescribed for filing the return under Article 1 (commencing with Section 18501) or Article 2 (commencing with Section 18601) of Chapter 2 (without regard to any extension of time for filing the return), with respect to which the tax is allowable as a credit under subdivision (a) or (b).

(2) For purposes of Sections 19306 and 19340, any amount paid as estimated tax under Section 19025 or 19136 of this code or Section 13043 of the Unemployment Insurance Code for any taxable year shall be deemed to have been paid on the last day prescribed for filing the return under Article 1 (commencing with Section 18501) or Article 2 (commencing with Section 18601) of Chapter 2 (without regard to any extension of time for filing the return).

(d) Notwithstanding subdivision (b) or (c), for purposes of

Section 19306 with respect to any tax deducted and withheld under Article 5 (commencing with Section 18661) of Chapter 2 or Section 13020 of the Unemployment Insurance Code both of the following shall apply:

(1) If a return is filed before the due date for that return, the return shall be considered filed on the due date.

(2) If a tax with respect to an amount paid is paid before the due date for that return, the tax shall be considered paid on the due date.

(e) If any overpayment of income tax is claimed as a credit against estimated tax for the succeeding taxable year, that amount shall be considered as a payment of estimated tax in accordance with Section 19007, for the succeeding taxable year, and no claim for credit or refund of the overpayment shall be allowed for the taxable year in which the overpayment arises.

19004. A taxpayer may elect to pay the tax prior to the date prescribed for its payment.

19005. (a) The tax, and any interest and penalties, shall be paid to the Franchise Tax Board. Except as provided in Section 19029, remittances may be in the form of a check, payable to the Franchise Tax Board, at the time and in the manner as the Franchise Tax Board may prescribe. If a check is not paid by the bank on which it is drawn, the taxpayer tendering the check remains liable for the payment of the tax, and all interest and penalties, as if the check had not been tendered.

(b) Notwithstanding Title 1.3 (commencing with Section 1747) of Part 4 of Division 3 of the Civil Code, the Franchise Tax Board may allow remittances to be in the form of a credit account number and authorization to draw upon a specified credit account, at that time and under those conditions as the Franchise Tax Board may prescribe. Remittances in the form of an authorization to draw upon a specified credit account shall include an amount, not to exceed 2 percent of the balance otherwise due, for purposes of paying the discount rate associated with drawing upon the credit account.

(c) Remittances made pursuant to subdivision (b) may be drawn on an account with a financial institution which agrees to add the discount rate associated with the use of the credit account number to the credit card holder's billing. Remittances drawn as described in this subdivision shall not include an amount for purposes of paying the discount rate associated with drawing upon the credit account.

19006. (a) The spouse who controls the disposition of or who receives or spends community income as well as the spouse who is taxable on the income is liable for the payment of the taxes imposed by Part 10 (commencing with Section 17001) on that income.

(b) Whenever a joint return is filed by a husband and wife, the liability for the tax on the aggregate income is joint and several. The liability may be revised by a court in a proceeding for dissolution of the marriage of the husband and wife, provided:

(1) The order revising tax liability may not relieve a spouse of tax liability on income earned by or subject to the exclusive

management and control of the spouse. The liability of the spouse for the tax, penalties, and interest due for the taxable year shall be in the same ratio to total tax, penalties, and interest due for the taxable year as the income earned by or subject to the management and control of the spouse is to total gross income reportable on the return.

(2) The order revising tax liability:

(A) Must separately state the taxable years for which revision of tax liability is granted.

(B) Shall not revise a tax liability that has been fully paid prior to the effective date of the order; however, any unpaid amount may be revised.

(C) Shall become effective when the Franchise Tax Board is served with or acknowledges receipt of the order.

(D) Shall not be effective if the gross income reportable on the return exceeds fifty thousand dollars ($50,000) or the amount of tax liability the spouse is relieved of exceeds two thousand five hundred dollars ($2,500) unless a tax revision clearance certificate is obtained from the Franchise Tax Board and filed with the court.

(c) Notwithstanding subdivisions (a) and (b), whenever a joint return is filed by a husband and wife and the tax liability is not fully paid, that liability, including interest and penalties, may be revised by the Franchise Tax Board as to one spouse.

(1) However, the liability shall not be revised:

(A) To relieve a spouse of tax liability on income earned by or subject to the exclusive management and control of the spouse. The liability of the spouse for the tax, penalties, and interest due for the taxable year shall be in the same ratio to total tax, penalties, and interest due for the taxable year as the income earned by or subject to the management and control of the spouse is to total gross income reportable on the return.

(B) To relieve a spouse of liability below the amount actually paid on the liability prior to the granting of relief, including credit from any other taxable year available for application to the liability.

(2) The liability may be revised only if the spouse whose liability is to be revised establishes that he or she did not know of, and had no reason to know of, the nonpayment at the time the return was filed. For purposes of this paragraph, "reason to know" means whether or not a reasonably prudent person would have had reason to know of the nonpayment.

(3) For purposes of this section, the determination of the spouse to whom items of gross income are attributable shall be made without regard to community property laws.

(4) The determination of the Franchise Tax Board as to whether the liability is to be revised as to one spouse shall be made not less than 30 days after notification of the other spouse and shall be based upon whether, under all of the facts and circumstances surrounding the nonpayment, it would be inequitable to hold the spouse requesting revision liable for the nonpayment. Any action taken under this section shall be treated as though it were action on a

protest taken under Section 19044 and shall become final upon the expiration of 30 days from the date that notice of the action is mailed to both spouses, unless, within that 30-day period, one or both spouses appeal the determination to the board as provided in Section 19045.

(5) This subdivision shall apply to all taxable years subject to the provisions of this part, but shall not apply to any taxable year which has been closed by a statute of limitations, res judicata, or otherwise.

19007. Payment of the estimated tax, or any installment thereof, shall be considered payment on account of the taxes imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) for the taxable year.

19008. The Franchise Tax Board may, in cases of financial hardship, as determined by the Franchise Tax Board, allow an individual or fiduciary to enter into installment payment agreements with the Franchise Tax Board to pay taxes due, plus applicable interest and penalties over the life of the installment period. Failure by an individual or fiduciary to comply fully with the terms of the installment payment agreement shall render the agreement null and void, unless the Franchise Tax Board determines that the failure was due to a reasonable cause, and the total amount of tax, interest, and all penalties shall be immediately due and payable.

19009. (a) Whenever any person or employer who is required to collect, account for, and pay over any tax—

(1) At the time and in the manner prescribed by law or regulations (A) fails to collect, truthfully account for, or pay over the tax, or (B) fails to make deposits, payments, or returns of the tax, and

(2) Is notified, by notice delivered in hand or by registered mail of any such failure,

then all the requirements of subdivision (b) shall be complied with. In the case of a bank, corporation, partnership, or trust, notice to an officer, partner, or trustee, shall, for purposes of this section, be deemed to be sufficient notice to the bank, corporation, partnership, or trust and to all officers, partners, trustees, and employees thereof.

(b) Any person or employer who is required to collect, account for, and pay over any tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), if notice has been delivered to that person or employer in accordance with subdivision (a), shall collect the taxes, which become collectible after delivery of the notice, shall (not later than the end of the second banking day after any amount of the taxes is collected) deposit that amount in a separate account in a bank located within the limits of this state, and shall keep the amount of those taxes in that account until payment over to the Franchise Tax Board. Any such account shall be designated as a special fund in trust for the Franchise Tax Board, payable to the Franchise Tax Board by that person or employer as trustee.

(c) Whenever the Franchise Tax Board is satisfied, with respect to any notification made under subdivision (a), that all requirements

of law and regulations with respect to the taxes, will henceforth be complied with, it may cancel the notification. The cancellation shall take effect at the time as is specified in the notice of the cancellation.

19010. Unless otherwise provided, any provision of this part that relates to the assessment and collection of tax shall also apply to the assessment and collection of estimated tax.

Article 2. Banks and Corporations

19021. In the case of taxpayers subject to the tax imposed by Article 3 (commencing with Section 23181) of Chapter 2 of Part 11, there shall be due and payable on or before the 15th day of the third month following the close of the preceding year from each such taxpayer a percentage of its net income as disclosed by its return which is equal to the rate applicable to corporations subject to the tax imposed by Article 2 (commencing with Section 23151) of Chapter 2 of Part 11 plus the personal property tax rate equivalent included in the bank and financial corporation tax rate determination by the Franchise Tax Board pursuant to Sections 23186 and 23186.1, less the credit allowable by Section 23184. The payment required by this section shall not be less than the minimum tax specified in Section 23153.

19022. The amount of tax payable by taxpayers subject to the tax imposed by Article 3 (commencing with Section 23181) of Chapter 2 of Part 11 as set forth in a notice mailed to the taxpayers pursuant to Section 23186.1 shall be due and payable on or before the 15th day following the mailing of the notice by the Franchise Tax Board.

19023. 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 Part 11 (commencing with Section 23001); but in no event shall the estimated tax of a corporation subject to the tax imposed by Article 2 (commencing with Section 23151) of Chapter 2 of Part 11 be less than the minimum tax prescribed in Section 23153.

19024. (a) In the case of banks and financial corporations, "estimated tax" means the amount which the bank or financial corporation estimates as the amount of the tax imposed by Part 11 (commencing with Section 23001) at the rate determined by the Franchise Tax Board for the preceding year pursuant to Section 23186.1, less the offset 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 23153.

(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).

19025. (a) If the amount of estimated tax does not exceed the minimum tax specified by Section 23153, the entire amount of the estimated tax shall be due and payable on or before the 15th day of the fourth month of the income year.

(b) If the amount of estimated tax exceeds the minimum tax specified by Section 23153, the amount payable shall be paid in installments as follows:

If the requirements of this subdivision are first met—	The following percentages of the estimated tax shall be paid on the 15th day of the—			
	4th month	6th month	9th month	12th month
Before the 1st day of the 4th month of the income year ..	25 (but not less than the minimum tax provided in Section 23153)	25	25	25
After the last day of the 3rd month and before the 1st day of the 6th month of the income year	——	33⅓	33⅓	33⅓
After the last day of the 5th month and before the 1st day of the 9th month of the income year	——	——	50	50
After the last day of the 8th month and before the 1st day of the 12th month of the income year	——	——	——	100

19026. If, after paying any installment of estimated tax required by subdivision (b) of Section 19025, the taxpayer makes a new estimate, the amount of each remaining installment (if any) shall be the amount which would have been payable if the new estimate had been made when the first estimate for the income year was made, increased or decreased (as the case may be) by the amount computed by dividing—

(a) The difference between—

(1) The amount of estimated tax required to be paid before the date on which the new estimate is made, and

(2) The amount of estimated tax which would have been required to be paid before that date if the new estimate had been made when the first estimate was made, by

(b) The number of installments remaining to be paid on or after the date on which the new estimate is made.

19027. The application of this article to income years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

19029. (a) All payments required under this part regardless of the income year to which the payments apply shall be remitted to the Franchise Tax Board by electronic funds transfer pursuant to Division 11 (commencing with Section 11101) of the Commercial Code, once any of the following conditions is met with respect to any taxpayer:

(1) The estimated tax payment made pursuant to Section 19025 or the payment made pursuant to Section 18604 with regard to an extension of time to file exceeds fifty thousand dollars ($50,000) in any income year beginning on or after January 1, 1991, or twenty thousand dollars ($20,000) in any income year beginning on or after January 1, 1995.

(2) The total tax liability exceeds two hundred thousand dollars ($200,000) in any income year beginning on or after January 1, 1991, or eighty thousand dollars ($80,000) in any income year beginning on or after January 1, 1995. For purposes of this section, total tax liability shall be the total tax liability as shown on the original return, after any adjustment pursuant to Section 19051.

(3) A taxpayer submits a request to the Franchise Tax Board and is granted permission to make electronic funds transfers.

(4) A taxpayer required to remit payments to the Franchise Tax Board by electronic funds transfer may elect to discontinue making payments where the threshold requirements set forth in paragraphs (1) and (2) were not met for the preceding income year. The election shall be made in a form and manner prescribed by the Franchise Tax Board.

(b) Any taxpayer required to remit payment by electronic funds transfer pursuant to this section who makes payment by other means shall pay a penalty of 10 percent of the amount paid, unless it is shown that the failure to make payment as required was for reasonable cause and was not the result of willful neglect.

(c) Any taxpayer required to remit payments by electronic funds transfer pursuant to this section may request a waiver of those requirements from the Franchise Tax Board. The Franchise Tax Board may grant a waiver only if it determines that the particular amounts paid in excess of the threshold amounts established in this section were not representative of the taxpayer's tax liability. If a taxpayer is granted a waiver, subsequent remittances by electronic funds transfer shall be required only on those terms set forth in the waiver.

(d) The Franchise Tax Board shall accept remittances by electronic funds transfer pursuant to this section no later than January 1, 1993. Electronic funds transfer procedures, in addition to those described in subdivision (e), shall be as prescribed by the Franchise Tax Board. Payment is deemed complete on the date the electronic funds transfer is initiated, if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed to occur on the date settlement occurs.

(e) For purposes of this section:

(1) "Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape, so as to order, instruct, or authorize a financial institution to debit or credit an account. Electronic funds transfer shall be accomplished by an automated clearinghouse debit, automated clearinghouse credit, or by Federal Reserve Wire Transfer (Fedwire).

(2) "Automated clearinghouse" means any federal reserve bank, or an organization established by agreement with the National Automated Clearing House Association, that operates as a clearinghouse for transmitting or receiving entries between banks or bank accounts and that authorizes an electronic transfer of funds between those banks or bank accounts.

(3) "Automated clearinghouse debit" means a transaction in which any department of the state, through its designated depository bank, originates an automated clearinghouse transaction debiting the taxpayer's bank account and crediting the state's bank account for the amount of tax. Banking costs incurred for the automated clearinghouse debit transaction by the taxpayer shall be paid by the state.

(4) "Automated clearinghouse credit" means an automated clearinghouse transaction in which the taxpayer, through its own bank, originates an entry crediting the state's bank account and debiting its own bank account. Banking costs incurred by the state for the automated clearinghouse credit transaction may be charged to the taxpayer.

(5) "Fedwire" means any transaction originated by the taxpayer

and utilizing the national electronic payment system to transfer funds through federal reserve banks, pursuant to which the taxpayer debits its own bank account and credits the state's bank account. Electronic funds transfers may be made by Fedwire only if prior approval is obtained from the Franchise Tax Board and the taxpayer is unable, for reasonable cause, to make payments pursuant to paragraph (3) or (4). Banking costs charged to the taxpayer and to the state may be charged to the taxpayer.

(6) In determining whether a payment or total tax liability exceeds the amounts established in subdivision (a), all taxpayers whose income derived from, or attributable to, sources within this state is required to be determined by a combined report shall be aggregated and the total aggregate amount shall be considered to be the payment or total tax liability of a single taxpayer.

Article 3. Deficiency Assessments

19031. The Franchise Tax Board may proceed under this article or Article 5 (commencing with Section 19081) whether or not it requires a return as an amended return under Section 18622.

19032. As soon as practicable after the return is filed, the Franchise Tax Board shall examine it and shall determine the correct amount of the tax.

19033. If the Franchise Tax Board determines that the tax disclosed by the original or amended return is less than the tax disclosed by its examination, it shall mail notice or notices to the taxpayer of the deficiency proposed to be assessed.

19034. Each notice shall set forth the reasons for the proposed deficiency assessment and the computation thereof.

19035. In the case of a joint return filed by husband and wife, the notice of proposed deficiency assessment may be a single joint notice, except that if the Franchise Tax Board is notified by either spouse that separate residences have been established, it shall mail to each spouse, in lieu of the single joint notice, duplicate originals of the joint notice.

19036. Notwithstanding any provision to the contrary, any interest, penalty or addition to tax, imposed under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part may be assessed and collected in the same manner as if it were a deficiency.

19041. Within 60 days after the mailing of each notice of proposed deficiency assessment the taxpayer may file with the Franchise Tax Board a written protest against the proposed deficiency assessment, specifying in the protest the grounds upon which it is based.

19042. If no protest is filed, the amount of the proposed deficiency assessment becomes final upon the expiration of the 60-day period provided in Section 19041.

19043. (a) For purposes of this part, "deficiency" means the amount by which the tax imposed by Part 10 (commencing with

Section 17001) or Part 11 (commencing with Section 23001) exceeds the excess of—

(1) The sum of—

(A) The amount shown as the tax by the taxpayer on an original or amended return, if an original or amended return was filed, plus

(B) The amounts previously assessed (or collected without assessment) as a deficiency, over—

(2) The amount of rebates, as defined in paragraph (2) of subdivision (b), made.

(b) For purposes of this section—

(1) The tax imposed and the tax shown on an original or amended return shall both be determined without regard to payments on account of estimated tax, and without regard to the credit under Section 19002.

(2) "Rebate" means so much of an abatement, credit, refund, or other repayment, as was made on the ground that the tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) was less than the excess of the amount specified in paragraph (1) of subdivision (a) over the rebates previously made.

(3) "Deficiency" includes the amount by which a credit subject to carryover is reduced by any action of the Franchise Tax Board.

19044. If a protest is filed, the Franchise Tax Board shall reconsider the assessment of the deficiency and, if the taxpayer has so requested in his or her protest, shall grant the taxpayer or his or her authorized representatives an oral hearing. The Franchise Tax Board may act on the protest in whole or in part. In the event the Franchise Tax Board acts on the protest in part only, the remaining part of the protest shall continue to be under protest until the Franchise Tax Board acts on that part.

19045. The Franchise Tax Board's action upon the protest, whether in whole or in part, is final upon the expiration of 30 days from the date when it mails notice of its action to the taxpayer, unless within that 30-day period the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

19046. Two copies of the appeal and two copies of any supporting documents shall be addressed and mailed to the State Board of Equalization at Sacramento, California. Upon receipt of the appeal, the board shall provide one copy of the appeal and one copy of any supporting documents to the Franchise Tax Board at Sacramento, California.

19047. The board shall hear and determine the appeal and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination and the reasons therefor.

19048. The board's determination becomes final upon the expiration of 30 days from the time of the determination unless within the 30-day period the taxpayer or the Franchise Tax Board files a petition for rehearing with the board. In that event the determination becomes final upon the expiration of 30 days from the

time the board issues its opinion on the petition.

19049. When a deficiency is determined and the assessment becomes final, the Franchise Tax Board shall mail notice and demand to the taxpayer for the payment thereof. The deficiency assessed is due and payable at the expiration of 10 days from the date of the notice and demand.

19050. A certificate by the Franchise Tax Board or of the board, as the case may be, of the mailing of the notices specified in this article is prima facie evidence of the assessment of the deficiency and of the giving of the notices.

19051. Any amount of tax in excess of that disclosed by the return, due to a mathematical error, notice of which has been mailed to the taxpayer, is not a deficiency assessment. The taxpayer has no right of protest or appeal based on that notice; however, the amount of tax erroneously omitted in the return may be assessed and collected in the manner provided in this part as in the case of deficiency assessments.

19052. Notwithstanding any provision in this part, denial of credits or refunds claimed in accordance with Section 17053.5 may be made pursuant to Section 19051 except that in such cases claimants shall have the right of protest and appeal provided by this article.

19053. Any tax imposed pursuant to Articles 4 (commencing with Section 23221), 5 (commencing with Section 23251), and 6 (commencing with Section 23281) of Chapter 2 of Part 11 based on the net income as disclosed by the return, shall not be considered a deficiency assessment within the meaning of this article.

19054. (a) If on any return or claim for refund of taxes imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), there is an overstatement of the credit for income tax withheld, or of the amount paid as estimated income tax, the amount so overstated which is allowed against the tax shown on the return or which is allowed as a credit or refund may be assessed by the Franchise Tax Board in the same manner as is provided by Section 19051 in the case of a mathematical error appearing on the return.

(b) No unpaid amount of estimated tax under Section 19025 or 19136 shall be assessed.

19057. (a) Except in the case of a fraudulent return and except as otherwise expressly provided in this part, every notice of a proposed deficiency assessment shall be mailed to the taxpayer within four years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which the return was filed unless the notice is mailed within the four-year period or the period otherwise provided.

(b) The running of the period of limitations provided in subdivision (a) on mailing a notice of proposed deficiency assessment shall, in a case under Title 11 of the United States Code, be suspended for any period during which the Franchise Tax Board

is prohibited by reason of that case from mailing the notice of proposed deficiency assessment and 60 days thereafter.

(c) Where, within the 60-day period ending on the day on which the time prescribed in this section for the assessment of any tax imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) for any taxable year would otherwise expire, the Franchise Tax Board receives a written document, other than an amended return or a report required by Section 18622, signed by the taxpayer showing that the taxpayer owes an additional amount of that tax for that taxable year, the period for the assessment of that additional amount shall not expire before the day 60 days after the day on which the Franchise Tax Board receives that document.

(d) If a taxpayer determines in good faith that it is an exempt organization and files a return as such under Section 23772, and if the taxpayer is thereafter held to be a taxable organization for the taxable year for which the return is filed, that return shall be deemed the return of the organization for the purposes of this section.

19058. (a) If the taxpayer omits from gross income an amount properly includable therein which is in excess of 25 percent of the amount of gross income stated in the return, a notice of a proposed deficiency assessment may be mailed to the taxpayer within six years after the return was filed. Additionally, in the case of a bank or corporation, a proceeding in court for the collection of the tax may be commenced without assessment at any time within six years after the return was filed.

(b) For purposes of this section both of the following shall apply:

(1) In the case of a trade or business, the term "gross income" means the total of the amounts received or accrued from the sale of goods or services (if the amounts are required to be shown on the return) prior to diminution by the cost of the sales or service.

(2) In determining the amount omitted from gross income, there shall not be taken into account any amount which is omitted from gross income stated in the return if the amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Franchise Tax Board of the nature and amount of the item.

19059. (a) If a taxpayer is required by subdivision (a) of Section 18622 to report a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority and does report the change or correction within six months after the final federal determination, a notice of proposed deficiency assessment resulting from those adjustments may be mailed to the taxpayer within two years from the date when the notice is filed with the Franchise Tax Board by the taxpayer, or within the periods provided in Section 19057, 19058, or 19065, whichever period expires the later.

(b) If a taxpayer is required by subdivision (b) of Section 18622 to file an amended return and does file the return within six months of

filing an amended return with the Commissioner of Internal Revenue, a notice of proposed deficiency assessment in excess of the self-assessed tax on the amended return, and resulting from the adjustments may be mailed to the taxpayer within two years from the date when the amended return is filed with the Franchise Tax Board by the taxpayer, or within the periods provided in Section 19057, 19058, or 19065, whichever period expires later.

19060. (a) If a taxpayer fails to report a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority or fails to file an amended return as required by Section 18622, a notice of proposed deficiency assessment resulting from the adjustment may be mailed to the taxpayer at any time after the change, correction, or amended return is reported to or filed with the federal government.

(b) If, after the six-month period required in Section 18622, a taxpayer reports a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority or files an amended return as required by Section 18622, a notice of proposed deficiency assessment resulting from the adjustment may be mailed to the taxpayer within four years from the date the taxpayer notifies the Franchise Tax Board of that change or correction or files that return.

19061. In case of a deficiency described in Sections 24945 and 24946, and in Sections 1033(a)(2)(C) and 1033(a)(2)(D) of the Internal Revenue Code, the deficiency may be assessed at any time prior to the expiration of the time therein provided.

19062. In the case of a deficiency described in Section 1034(j) of the Internal Revenue Code, the deficiency may be assessed at any time prior to the expiration of the time therein provided.

19063. (a) In the case of any tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) with respect to any person, the period for assessing a deficiency attributable to any partnership item of a federally registered partnership shall not expire before the later of the following:

(1) The date which is five years after the date on which the partnership return of the federally registered partnership for the partnership taxable year in which the item arose was filed (or later, if the date prescribed for filing the return).

(2) If the name or address of the person does not appear on the partnership return, the date which is one year after the date on which the information is furnished to the Franchise Tax Board in the manner and at the place as it may prescribe.

(b) For purposes of this section, "partnership item" means both of the following:

(1) Any item required to be taken into account for the partnership taxable year under any provision of subchapter K of Chapter 1 of Title 26 of the Internal Revenue Code to the extent that regulations prescribed by the Franchise Tax Board provide that for

purposes of this part that item is more appropriately determined at the partnership level than at the partner level.

(2) Any other item to the extent affected by an item described in paragraph (1).

(c) The extensions referred to in subsection (c) (4) of Section 6501 of the Internal Revenue Code, insofar as they relate to partnership items, may, with respect to any person, be consented by either of the following:

(1) Except to the extent the Franchise Tax Board is otherwise notified by the partnership, by a general partner of the partnership.

(2) By any person authorized to do so by the partnership in writing.

(d) For purposes of this section, "federally registered partnership" means, with respect to any partnership taxable year, any partnership for which either of the following apply:

(1) Interests have been offered for sale at any time during that taxable year or a prior taxable year in any offering required to be registered with the Securities and Exchange Commission.

(2) At any time during that taxable year or a prior taxable year, was subject to the annual reporting requirements of the Securities and Exchange Commission which relate to the protection of investors in the partnership.

19064. (a) If any person initiates a motion to quash a subpoena, as provided by Sections 7465 to 7476, inclusive, of the Government Code, and that person is the person with respect to whose liability the subpoena is issued (or is the agent, nominee, or other person acting under the direction or control of that person), then the running of any period of limitations under Section 19057 (relating to deficiency assessments), Section 19087 (relating to false or fraudulent returns), or Section 19704 (relating to criminal prosecutions) with respect to that person shall be suspended for the period during which a proceeding, and appeals therein, with respect to the enforcement of the subpoena is pending.

(b) In the absence of the resolution of a response to a subpoena served to a third-party recordkeeper (as defined in Section 7609(a)(3) of the Internal Revenue Code) issued under Section 19504 (power of examination) the running of any period of limitations under Section 19057 (relating to deficiency assessments), Section 19087 (relating to false or fraudulent returns), or Section 19704 (relating to criminal prosecutions) with respect to any person whose liability the subpoena was issued (other than a person taking action as provided by subdivision (a)) shall be suspended for the period beginning on the date which is six months after the service of the subpoena and ending with the final resolution of that response.

19065. If any taxpayer agrees 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 taxes for any year, the period for mailing a notice of a proposed deficiency shall be four years after the return was filed

or six months after the date of the expiration of the agreed period for assessing deficiencies in the federal income tax, whichever period expires the later.

19066. (a) For the purposes of Sections 19057, 19058, and 19065, a return of tax imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) except a return required by Article 5 (commencing with Section 18661) of Chapter 2 (relating to withholding), filed before the last day prescribed by law for filing (determined without regard to any extension of time for filing the return), shall be considered as filed on that day. For purposes of Section 19306, payment of any portion of the tax made before the last day prescribed for the payment of the tax shall be considered made on the last day.

(b) For purposes of this section, if a return required by Article 5 (commencing with Section 18661) of Chapter 2 (relating to withholding) or a return of tax imposed by Section 13020 of the Unemployment Insurance Code (relating to withholding tax on wages), for any period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, that return shall be considered filed on April 15 of that calendar year.

19067. Where before the expiration of the time prescribed for the mailing of a notice of a proposed deficiency assessment, the taxpayer consents in writing to an assessment after that time, the assessment may be made at any time prior to the expiration of the period agreed upon. The period agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

Article 4. Assessments against Persons Secondarily Liable

19071. The taxes imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) upon any taxpayer other than a transferee for which any person other than the taxpayer is liable may be assessed against that person in the manner provided for the assessment of deficiencies. The taxes may be assessed at any time within which deficiency assessments may be made against the taxpayer; provided, however, the running of the period of limitations upon the assessment of the liability imposed upon any person other than the taxpayer shall, after the mailing of the notice provided for in Section 19033 to the taxpayer, be suspended for the period during which the taxpayer exercises an administrative remedy as provided in Section 19041, 19045, or 19048.

19072. The provisions of this part respecting the collection of taxes apply to the collection of the taxes from the person secondarily liable to the same extent and with the same force and effect as though that person were the taxpayer.

19073. The amounts of the following liabilities, except as hereinafter provided in this section and Section 19074, shall be assessed, collected, and paid in the same manner and subject to the

same provisions and limitations as in the case of a deficiency (including the provisions in the case of a delinquency in payment after notice and demand, the provisions authorizing proceedings in court for collection, and the provisions prohibiting claims and suits for refunds):

(a) The liability, at law or in equity, of a transferee of property of a taxpayer, in respect of the tax (including interest, additional amounts, and additions to the tax provided by law) imposed upon the taxpayer.

(b) The liability of a fiduciary under Part 10 (commencing with Section 17001) in respect of the payment of any such tax from the estate of the taxpayer.

Any such liability may be either as to the amount of tax shown on the return or as to any deficiency in tax.

19074. The period of limitation for assessment of the liability of any person other than the taxpayer who is a transferee or fiduciary of the taxpayer shall be as follows:

(a) In the case of the liability of an initial transferee of the property of the taxpayer, within one year after the expiration of the period of limitation for assessment against the taxpayer.

(b) In the case of the liability of a transferee of a transferee of the property of the taxpayer, within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within three years after the expiration of the period of limitation for assessment against the taxpayer; except that if before the expiration of the period of limitation for the assessment of the liability of the transferee of a transferee, a court proceeding for the collection of the tax or liability in respect thereof has been begun against the taxpayer or last preceding transferee, respectively, then the period of limitation for assessment of the liability of the transferee of a transferee shall expire one year after the return of execution in the court proceeding.

(c) In the case of the liability of a fiduciary, not later than one year after the liability arises or not later than the expiration of the period for collection of the tax in respect of which the liability arises, whichever is the later;

(d) Where before the expiration of the time prescribed in subdivision (a), (b) or (c) for the assessment of the liability, both the Franchise Tax Board and the transferee or fiduciary have consented in writing to its assessment after that time, the liability may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(e) Notwithstanding any of the above subdivisions, the running of the period of limitations upon the assessment of liability against any transferee shall be suspended for the period during which the taxpayer exercises an administrative remedy as provided in Section 19041, 19045, or 19048.

Article 5. Jeopardy Assessments

19081. If the Franchise Tax Board finds that the assessment or the collection of a tax or a deficiency for any year, current or past, will be jeopardized in whole or in part by delay, it may mail or issue notice of its findings to the taxpayer, or its transferee or transferees, together with a demand for immediate payment of the tax or the deficiency declared to be in jeopardy, including interest and penalties and additions thereto. Any assessment issued under this article shall also be an assessment issued pursuant to Section 19033, if an assessment has not already been issued pursuant to Section 19033 with respect to that taxable or income year for that amount.

19082. In the case of a tax for a current period, if the Franchise Tax Board finds that the assessment or collection of the tax will be jeopardized in whole or in part by delay, the Franchise Tax Board may declare the income or taxable period of the taxpayer immediately terminated. The Franchise Tax Board shall mail or issue notice of its finding and declaration to the taxpayer, together with a demand for a return and immediate payment of the tax based on the period declared terminated, including therein income accrued and deductions incurred up to the date of termination if not otherwise properly includible or deductible in respect of the period, and the tax shall be immediately due and payable whether or not the time otherwise allowed by law for filing the return and paying the tax has expired.

19083. (a) A jeopardy assessment is immediately due and payable, and proceedings for collection may be commenced at once.

(b) The collection of the whole or any amount of a jeopardy assessment may be stayed, at any time before the assessment becomes final, by filing with the Franchise Tax Board: (1) a bond in an amount equal to the amount (together with interest thereon to the date of payment) as to which the stay is desired, conditioned upon the payment of the amount, the collection of which is stayed by the bond, upon notice and demand by the Franchise Tax Board after the assessment becomes final; or (2) other security in the amount as the Franchise Tax Board may deem necessary, not exceeding double the amount (together with interest thereon to the date of payment) as to which the stay is desired.

(c) Upon the filing of the bond or other security the collection of so much of the amount assessed as is covered by the bond or other security shall be stayed. The taxpayer shall have the right to waive the stay at any time in respect of the whole or any part of the amount covered by the bond or other security, and if as a result of the waiver any part of the amount covered by the bond or other security is paid, then the bond or other security shall, at the request of the taxpayer, be proportionately reduced. If any portion of the jeopardy assessment is abated, the bond or other security shall, at the request of the taxpayer, be proportionately reduced.

(d) The Franchise Tax Board, prior to the time the assessment

becomes final, may stay collection of the whole or any amount of a jeopardy assessment if it finds that jeopardy does not exist.

(e) Where collection of the whole or any amount of a jeopardy assessment has been stayed under this section, the period of limitation on any action to collect shall be tolled during the time of the stay.

19084. (a) (1) Within five days after the day on which either a notice and demand for payment is mailed or issued pursuant to Section 19081, or notice and demand for a return and payment is mailed or issued pursuant to Section 19082, the Franchise Tax Board shall mail or issue the taxpayer a written statement of the information upon which the Franchise Tax Board relies in issuing that notice and demand.

(2) Within 30 days after the day on which the taxpayer is furnished the written statement described in paragraph (1), or within 30 days after the last day of the period within which the statement is required to be furnished, the taxpayer may petition the Franchise Tax Board to review whether its finding pursuant to Section 19081 or 19082 is reasonable under the circumstances, specifying the grounds on which the petition is based. The filing of a petition for review shall not operate to stay collection. Collection may be stayed only as provided in Section 19083. A petition filed pursuant to this paragraph shall also be considered a protest filed pursuant to Section 19041 against the proposed additional tax.

(3) If a petition for review under paragraph (2) is not made within the 30-day period set forth in that paragraph, the finding of the Franchise Tax Board pursuant to Section 19081 or 19082 is final.

(4) After a petition for review is filed under paragraph (2), the Franchise Tax Board shall determine whether or not the issuance of notice and demand under Section 19081 or 19082 is reasonable under the circumstances. In making this determination, the Franchise Tax Board shall grant the taxpayer or authorized representative an oral hearing if the taxpayer has so requested in the petition. The burden of proof with respect to whether a jeopardy exists as to collection or an assessment is upon the Franchise Tax Board.

(5) The Franchise Tax Board shall make the determination under paragraph (4) within 90 days of the filing of the petition for review unless the taxpayer requests, in writing, additional time.

(6) In making the determination required by paragraph (4), the Franchise Tax Board shall consider all relevant factors, including, but not limited to, the likelihood that collection will be jeopardized, the assets of the taxpayer, and the amount of the assessment as it relates to whether jeopardy status exists. The burden of proof as to the amount of the assessment for purposes of determining jeopardy status is upon the taxpayer.

(b) (1) Within 60 days after the earlier of the following days, the taxpayer may appeal the determination to the State Board of Equalization in the manner provided in Section 19085:

(A) The day the Franchise Tax Board notifies the taxpayer of the

determination described in paragraph (4) of subdivision (a).

(B) One day after the time period prescribed by paragraph (5) of subdivision (a) for the Franchise Tax Board to make its determination.

(2) If an appeal is not filed before the expiration of the time periods, the Franchise Tax Board's determination is final. Filing of an appeal shall not operate to stay collection. Collection may be stayed only as provided in Section 19083.

(3) Within 60 days after an appeal is filed under paragraph (1), the board shall determine whether the issuance of notice and demand under Section 19081 or 19082 is reasonable under the circumstances. The burden of proof with respect to whether a jeopardy exists as to collection or an assessment is upon the Franchise Tax Board.

(4) If the board determines that a jeopardy status does not apply to all or part of the assessment, the board may modify the amount of the assessment to which the jeopardy attaches. If the board does not act within the time period provided in paragraph (3) as modified by paragraph (6), the board will be deemed to have denied the taxpayer's appeal.

(5) In making the determination required by paragraph (3), the board shall consider all relevant factors, including, but not limited to, the likelihood that collection will be jeopardized, the assets of the taxpayer, and the amount of the assessment as it relates to whether jeopardy status exists. The burden of proof as to the amount of the assessment for purposes of determining jeopardy status is upon the taxpayer.

(6) If either party requests an extension of the 60-day period set forth in paragraph (3) and establishes reasonable grounds why the extension should be granted, the board may grant an extension of not more than 30 additional days.

(c) (1) Within 60 days after the earlier of the following days, either party may bring a civil action against the other in superior court for a judicial determination as to whether or not the issuance of the notice and demand under Section 19081 or 19082 is reasonable under the circumstances:

(A) The day the board notifies the taxpayer of its determination described in paragraph (3), as modified by paragraph (6), of subdivision (b).

(B) If the board fails to make a timely determination, then one day after the time prescribed for the board to make its determination.

(2) If a civil action under this subdivision is not commenced within the 60-day period set forth in paragraph (1), the board's determination is final. The filing of the civil action shall not operate to stay collection. Collection shall be stayed only as provided by Section 19083.

(3) Within 60 days after proper service is made, the superior court shall determine whether the issuance of notice and demand under

Section 19081 or 19082 is reasonable under the circumstances. The burden of proof with respect to whether a jeopardy exists as to collection or an assessment is upon the Franchise Tax Board.

(4) If the court determines that a jeopardy status does not apply to all or part of the assessment, the court may modify the amount of the assessment to which the jeopardy attaches.

(5) In making the determination required by paragraph (3), the superior court shall consider all relevant factors, including, but not limited to, the likelihood that collection will be jeopardized, the assets of the taxpayer, and the amount of the assessment as it relates to whether jeopardy status exists. The burden of proof as to the amount of the assessment for purposes of determining jeopardy status is upon the taxpayer.

(6) If either party in the action requests an extension of the 60-day period set forth in paragraph (3) of subdivision (c) and establishes reasonable grounds why the extension should be granted, the superior court may grant an extension of not more than 30 additional days.

(7) Actions filed pursuant to this section shall be filed in the Superior Court of the County of Los Angeles, the City and County of San Francisco, the County of San Diego, or the County of Sacramento. Sections 19387 and 19389 shall apply to those actions.

(8) The determination made by a superior court under this section shall be final and conclusive and shall not be reviewed by any other court.

19085. The taxpayer may appeal to the board from the Franchise Tax Board's action on the petition for review. The appeal shall be made in the manner prescribed by Section 19046. Article 3 (commencing with Section 19031) of Chapter 4 relating to an appeal from the action of the Franchise Tax Board on a protest against an additional tax proposed to be assessed applies to the appeal.

19086. In any proceeding brought to enforce payment of taxes made due and payable by this article, the finding of the Franchise Tax Board under Section 19081, whether made after notice to the taxpayer or not, is for all purposes presumptive evidence that the assessment or collection of the tax or the deficiency was in jeopardy. A certificate of the Franchise Tax Board of the mailing or issuing of the notices specified in this article is presumptive evidence that the notices were mailed or issued.

19087. (a) If any taxpayer fails to file a return, or files a false or fraudulent return with intent to evade the tax, for any taxable year, the Franchise Tax Board, at any time, may require a return or an amended return under penalties of perjury or may make an estimate of the net income, from any available information, and may propose to assess the amount of tax, interest, and penalties due. All the provisions of this part relative to delinquent taxes shall be applicable to the tax, interest, and penalties computed hereunder.

(b) When any assessment is proposed under subdivision (a), the taxpayer shall have the right to protest the same and to have an oral

hearing thereon if requested, and also to appeal to the board from the Franchise Tax Board's action on the protest; the taxpayer must proceed in the manner and within the time prescribed by Sections 19041 to 19048, inclusive.

19088. (a) On the appointment of a receiver for any taxpayer in any receivership proceeding before any court of the United States or of any state or territory or of the District of Columbia, any deficiency (together with all interest, additional amounts, or additions to the tax provided for by law) determined by the Franchise Tax Board in respect of a tax upon the taxpayer may be immediately assessed.

(b) Any deficiency (together with all interest, additional amounts, and additions to the tax provided by law) determined by the Franchise Tax Board in respect of a tax on either of the following:

(1) The debtor's estate in a case under Title 11 of the United States Code.

(2) The debtor, but only if liability for the tax has become res judicata pursuant to a determination in a case under Title 11 of the United States Code,

may be immediately assessed if that deficiency has not previously been assessed in accordance with law.

19089. (a) Every trustee in a case under Title 11 of the United States Code, receiver, assignee for the benefit of creditors or like fiduciary shall give notice of qualification as such to the Franchise Tax Board in the manner and at the time that may be required by regulations of the Franchise Tax Board. The Franchise Tax Board may by regulation provide for any exemptions from the requirements of this section that the Franchise Tax Board deems proper.

(b) If the regulations issued pursuant to this section require the giving of any notice by any fiduciary in any case under Title 11 of the United States Code, or by a receiver in any other court proceeding to the Franchise Tax Board of qualification as such, the running of the period for mailing notice of proposed additional assessments shall be suspended for the period from the date of the institution of the proceeding to a date 30 days after the date upon which the notice from the receiver or other fiduciary is received by the Franchise Tax Board; but the suspension under this section shall in no case be for a period in excess of two years.

19090. (a) Claims for the deficiency and such interest, additional amounts and additions to the tax may be presented, for adjudication in accordance with law, to the court before which the receivership proceeding (or case under Title 11 of the United States Code) is pending, despite the pendency of an appeal to the board.

(b) In the case of a receivership proceeding, no appeal shall be filed with the board after the appointment of the receiver.

19091. Upon notice and demand from the Franchise Tax Board after termination of the receivership proceeding, the taxpayer shall pay any portion of the claim allowed in the proceeding which is unpaid. The unpaid amount may be collected in the manner

provided in this part for the collection of delinquent taxes at any time within six years after termination of the proceeding.

19092. The Franchise Tax Board may prescribe rules and regulations necessary to properly carry out this article.

19093. (a) If the individual who is in physical possession of cash in excess of ten thousand dollars ($10,000) does not claim that cash in any of the capacities specified in paragraphs (1) and (2), then for purposes of Sections 19081 and 19082, it shall be presumed that the cash represents gross income of a single individual for the taxable year in which the possession occurs, and that the collection of tax will be jeopardized by delay:

(1) The cash is not claimed as his or hers.

(2) The cash is not claimed as belonging to another person whose identity the Franchise Tax Board can readily ascertain and who acknowledges ownership of that cash.

(b) In the case of any assessment resulting from the application of subdivision (a), all of the following apply:

(1) The entire amount of the cash shall be treated as taxable income for the taxable year in which the possession occurs.

(2) That income shall be treated as taxable at the maximum rate under Section 17041.

(3) Except as provided in subdivision (c), the possessor of the cash shall be treated (solely with respect to that cash) as the taxpayer for purposes of Chapter 4 (commencing with Section 19001) and Chapter 5 (commencing with Section 19201).

(c) If, after an assessment resulting from the application of subdivision (a), that assessment is abated and replaced by an assessment against the owner of the cash, that later assessment shall be treated for purposes of all laws relating to lien, levy, and collection as relating back to the date of the original assessment.

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

(1) "Cash" includes any cash equivalent.

(2) "Cash equivalent" means any of the following:

(A) Foreign currency.

(B) Any bearer obligation.

(C) Any medium of exchange to which both of the following apply:

(i) It is of a type which has been frequently used in illegal activities.

(ii) It is specified as a cash equivalent for purposes of this part in regulations prescribed by the Franchise Tax Board.

(3) Any cash equivalent shall be taken into account in the following manner:

(A) In the case of a bearer obligation, at its face amount.

(B) In the case of any other cash equivalent, at its fair market value.

Article 6. Interest

19101. If the tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), whether assessed by the Franchise Tax Board or the taxpayer, or any portion of the tax is not paid on or before the date prescribed for its payment, interest shall be assessed, collected, and paid in the same manner as the tax upon the unpaid amount at the adjusted annual rate established pursuant to Section 19521 from the date prescribed for its payment until it is paid.

19102. If the time for the payment of the tax or any installment agreement entered into under Section 19008 is extended, interest thereon shall be assessed, collected, and paid in the same manner as the tax at the adjusted annual rate established pursuant to Section 19521 from the date upon which the payment should have been made if no extension had been granted until the date the tax is paid.

19103. The last date prescribed for payment by Section 19102 shall be determined without regard to any notice and demand for payment issued, by reason of jeopardy (as provided in Article 5 (commencing with Section 19081) of this chapter), prior to the last date otherwise prescribed for the payment.

19104. (a) Interest upon the amount assessed as a deficiency shall be assessed, collected, and paid in the same manner as the tax at the adjusted annual rate established pursuant to Section 19521 from the date prescribed for the payment of the tax or, if the tax is paid in installments, from the date prescribed for payment of the first installment, until the date the tax is paid. If any portion of the deficiency is paid prior to the date it is assessed, interest shall accrue on such portion only to the date paid.

(b) If the Franchise Tax Board makes or allows a refund or credit which it determines to be erroneous, in whole or in part, the amount erroneously made or allowed may be assessed and collected after notice and demand pursuant to Section 19051 (pertaining to mathematical errors), except that the rights of protest and appeal shall apply with respect to amounts assessable as deficiencies without regard to the running of any period of limitations provided elsewhere in this part. Notice and demand for repayment must be made within two years after the refund or credit was made or allowed, or during the period within which the Franchise Tax Board may mail a notice of proposed deficiency assessment, whichever period expires the later. Interest on amounts erroneously made or allowed shall not accrue until 30 days from the date the Franchise Tax Board mails a notice and demand for repayment as provided by this subdivision.

(c) (1) In the case of any assessment of interest, the Franchise Tax Board may abate the assessment of all or any part of that interest for any period in either of the following circumstances:

(A) Any deficiency attributable in whole or in part to any error or delay by an officer or employee of the Franchise Tax Board

(acting in his or her official capacity) in performing a ministerial act.

(B) Any payment of any tax described in Section 19033 to the extent that any delay in that payment is attributable to that officer or employee being dilatory in performing a ministerial act.

For purposes of this paragraph, an error or delay shall be taken into account only if no significant aspect of that error or delay can be attributed to the taxpayer involved, and after the Franchise Tax Board has contacted the taxpayer in writing with respect to that deficiency or payment.

(2) The Franchise Tax Board shall abate the assessment of all interest on any erroneous refund for which an action for recovery is provided under Section 19411 until 30 days after the date demand for repayment is made, unless either of the following has occurred:

(A) The taxpayer (or a related party) has in any way caused that erroneous refund.

(B) That erroneous refund exceeds fifty thousand dollars ($50,000).

19105. In the case of an individual or fiduciary, the Franchise Tax Board shall not assess interest charges pursuant to Section 19104 for the period between 45 days after the date of final review of an audit determining an additional amount is owed and the date a notice of proposed deficiency assessment is sent to the taxpayer.

19106. Except as provided in Section 19111, interest shall be imposed under Section 19101 with respect to any assessable penalty, additional amount, or addition to tax imposed under this article, as follows:

(a) In the case of a penalty, additional amount, or addition to tax which, when assessed, is due and payable on notice and demand, other than a penalty imposed under Section 19131 (relating to failure to file a return on or before the due date), Section 19132 (relating to underpayment of tax), or Section 19164 (relating to imposition of the accuracy-related penalty), interest shall be imposed from the date of the notice and demand to the date of payment.

(b) In the case of a penalty, additional amount, or addition to tax which is initially assessed as a deficiency, other than a penalty imposed under Section 19131 (relating to failure to file a return on or before the due date), Section 19132 (relating to underpayment of tax), or Section 19164 (relating to imposition of the accuracy-related penalty), interest shall be imposed from the date of the notice of proposed assessment to the date of payment.

(c) In the case of a penalty or addition to tax imposed by Section 19131 (relating to failure to file a return on or before the due date), Section 19132 (relating to underpayment of tax), or Section 19164 (relating to imposition of the accuracy-related penalty), for the period that—

(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 penalty or addition to tax.

19107. Where an overpayment is made by any individual for any year, and a deficiency is owing from the husband or wife of the taxpayer for the same year, and both husband and wife notify the Franchise Tax Board in writing prior to the expiration of the time within which credit for the overpayment may be allowed that the overpayment may be credited against the deficiency, no interest shall be assessed on that portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

19108. (a) Where an overpayment is made by any taxpayer for any year, and a deficiency is owing from the same taxpayer for any other year, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which assessment of the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded to the taxpayer. No interest shall be assessed on the portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(b) For the purposes of this section the returns of a decedent and his or her estate shall be considered returns of the same taxpayer and the returns for the decedent and his or her estate filed for the year of death shall be considered returns for different taxable years.

(c) This section is not intended, nor shall it be construed, as a limitation on the Franchise Tax Board's right to offset or recoup barred assessments against overpayments.

19110. (a) When the correction of an erroneous inclusion or deduction of an item or items in the computation of income of a trust, estate, parent, husband, or wife for any year results in an overpayment for that year by the trust, estate, parent, husband, or wife, and also results in a deficiency for the same year for a grantor of the trust or beneficiary of the estate or trust, or child of the parent, or spouse of the child, or the spouse of the husband or wife, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded. No interest shall be assessed on the portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(b) When the correction of an erroneous inclusion or deduction of an item or items in the computation of income of a grantor of a trust, beneficiary of an estate or trust, a child, or spouse of the child, or a husband or wife for any year results in an overpayment for that year by the grantor, beneficiary, child or husband or wife, and also results in a deficiency for the same year for the grantor's or beneficiary's trust, the beneficiary's estate, the child's parent, or spouse of the child, or the beneficiary's spouse, the overpayment, if the period within which credit for the overpayment may be allowed

has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded. No interest shall be assessed on the portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(c) Subdivisions (a) and (b) are not intended, nor shall they be construed as a limitation on the Franchise Tax Board's right to offset or recoup barred assessments against overpayments.

19111. If notice is made for payment of any amount, and if that amount is paid within 10 days after the date of the notice, interest under this article on the amount so paid shall not be imposed for the period after the date of the notice.

19112. Interest may be waived for any period for which the Franchise Tax Board determines that an individual or fiduciary demonstrates inability to pay that interest solely because of extreme financial hardship caused by significant disability or other catastrophic circumstance. Any waiver under this section shall be withdrawn retroactively if made because of fraud, malfeasance, misrepresentation, or omission of any material fact.

19113. If any portion of a tax is satisfied by credit of an overpayment, then no interest shall be imposed under this article on the portion of the tax so satisfied for any period during which, if the credit had not been made, interest would have been allowable with respect to the overpayment.

19114. Interest prescribed under this article on any tax may be assessed and collected at any time during the period within which the tax to which the interest relates may be collected.

19115. Sections 19101 to 19114, inclusive, shall not apply to any failure to pay estimated tax required by Section 19025 or 19136.

Article 7. Penalties and Additions to Tax

19131. (a) If any taxpayer fails to make and file a return required by this part on or before the due date of the return or the due date as extended by the Franchise Tax Board, then, unless it is shown that the failure is due to reasonable cause and not due to willful neglect, 5 percent of the tax shall be added to the tax for each month or fraction thereof elapsing between the due date of the return (determined without regard to any extension of time for filing) and the date on which filed, but the total penalty shall not exceed 25 percent of the tax. In the case of a commencing corporation, the penalty shall apply to all tax accruable on the due date of the return. The penalty so added to the tax shall be due and payable upon notice and demand from the Franchise Tax Board.

(b) In the case of an individual or fiduciary who fails to file a return of tax required by this part within 60 days of the date prescribed for filing of that return (determined with regard to any extension of time for filing), unless it is shown that the failure is due

to reasonable cause and not due to willful neglect, this penalty shall not be less than the lesser of one hundred dollars ($100) or 100 percent of the amount of tax required to be shown on the return.

(c) For purposes of this section, the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

(d) If any failure to file any return is fraudulent, subdivision (a) shall be applied by:

(1) Substituting "15 percent" for "5 percent," and

(2) Substituting "75 percent" for "25 percent."

(e) This section shall not apply to any failure to pay any estimated tax required by Section 19025 or 19136.

19132. (a) (1) Unless it is shown that the failure is due to reasonable cause and not due to willful neglect, a penalty computed in accordance with paragraph (2) is hereby imposed in the case of failure to pay any of the following:

(A) The amount shown as tax on any return on or before the date prescribed for payment of that tax (determined with regard to any extension of time for payment).

(B) 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 19051) within 10 days of the date of the notice and demand therefor.

(C) The amount required to be paid by Section 19021, if applicable, that is not paid.

(2) The penalty imposed under paragraph (1) shall consist 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.

(3) 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 19131 (relating to failure to file return) and Section 19133 (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 19131 and 19133, the penalty imposed under subdivision (a) shall be the amount which exceeds

the sum of any penalties imposed under Sections 19131 and 19133.

(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, subdivisions (a), (c), and (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).

19133. If any taxpayer fails or refuses to furnish any information requested in writing by the Franchise Tax Board or fails or refuses to make and file a return required by this part upon notice and demand by the Franchise Tax Board, then, unless the failure is due to reasonable cause and not willful neglect, the Franchise Tax Board may add a penalty of 25 percent of the amount of tax determined pursuant to Section 19087 or of any deficiency tax assessed by the Franchise Tax Board concerning the assessment of which the information or return was required.

19134. (a) The provisions of Section 6657 of the Internal Revenue Code, relating to bad checks, shall apply except as otherwise provided.

(b) Section 6657 of the Internal Revenue Code, relating to bad checks, is modified to apply to payments made by credit card remittance or electronic funds transfer (as provided by Section 19029) in addition to payments made by check or money order.

(c) For payments received prior to January 1, 1993, this section shall be applied only to payments pertaining to taxable (or income) years beginning on or after January 1, 1990.

(d) For payments received on or after January 1, 1993, this section shall be applied to all payments, without regard to taxable (or income) year.

19135. Whenever any foreign corporation which fails to qualify to do business in this state or whose powers, rights, and privileges have been forfeited, or any domestic corporation which has been suspended, and which is doing business in this state, within the meaning of Section 23101, fails to make and file a return as required by this part, the Franchise Tax Board shall impose a penalty of two thousand dollars ($2,000) per income year, unless the failure to file is due to reasonable cause and not willful neglect. The penalty shall be in addition to any other penalty which may be due under this part. The penalty shall be imposed if the return is not filed within 60 days after the Franchise Tax Board sends the taxpayer a notice and demand to file the required tax return.

19136. (a) An amount shall be added to the tax imposed under

Section 17041 or 17048 for any underpayment of estimated tax. The amount shall be determined in accordance with Section 6654 of the Internal Revenue Code, except as otherwise provided in this section.

(b) The applicable annual rate specified in Section 6654(a)(1) of the Internal Revenue Code shall be the rate determined under Section 19521.

(c) (1) For purposes of Section 6654(d) of the Internal Revenue Code, relating to the amount of required installments, any reference to "90 percent" is modified to read "80 percent."

(2) Section 6654(d)(2)(C)(ii) of the Internal Revenue Code, relating to applicable percentages, is modified as follows:

In the case of the following required installments:	The applicable percentage is:
1st	20
2nd	40
3rd	60
4th	80

(3) The annualized income installment, determined under Section 6654(d)(2) of the Internal Revenue Code, shall not include "alternative minimum taxable income" or "adjusted self-employment income."

(d) (1) Section 6654(e)(1) of the Internal Revenue Code, relating to exceptions where the tax is a small amount, shall not apply.

(2) No addition to the tax shall be imposed under this section if any of the following apply:

(A) The tax imposed under Section 17041 or 17048 for the preceding taxable year, minus the sum of any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, or the tax computed under Section 17041 or 17048 upon the estimated income for the taxable year, minus the sum of any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, is less than one hundred dollars ($100), except in the case of a separate return filed by a married person the amount shall be less than fifty dollars ($50).

(B) Eighty percent or more of the tax imposed under Section 17041 or 17048 for the preceding taxable year, less any credits against the tax other than the credit allowed under Section 19002.

(C) Eighty percent or more of the estimated tax for the taxable year will be paid by withholding of tax pursuant to Section 18662 or 18666 of this code or Section 13020 of the Unemployment Insurance Code.

(D) Eighty percent or more of the adjusted gross income for the taxable year consists of items subject to withholding pursuant to Section 18662 or 18666 of this code or Section 13020 of the Unemployment Insurance Code.

(3) Paragraph (2) shall not apply if the employee files a false or

fraudulent withholding exemption certificate for the taxable year, or the taxpayer provides a false or fraudulent document or documents to obtain reduced withholding at source for the taxable year.

(e) Section 6654(f) of the Internal Revenue Code shall not apply and for purposes of this section the term "tax" means the tax imposed under Section 17041 or 17048, less any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, other than the credit provided by subdivision (a) of Section 19002.

(f) The credit for tax withheld on wages, as specified in Section 6654(g) of the Internal Revenue Code, shall be the credit allowed under subdivision (a) of Section 19002.

(g) This section shall apply to a nonresident individual.

19141. Upon certification by the Secretary of State pursuant to subdivision (a) of Section 2204 of the Corporations Code, the Franchise Tax Board shall assess a penalty of two hundred fifty dollars ($250). Upon certification by the Secretary of State pursuant to subdivision (a) of Section 6810 or subdivision (a) of Section 8810 of the Corporations Code, the Franchise Tax Board shall assess a penalty of fifty dollars ($50). Any such penalty shall be a final assessment due and payable at the time of assessment but no interest shall accrue thereon. The assessment shall be collected as other taxes, interest, and penalties are collected by the Franchise Tax Board unless the Secretary of State decertifies the name of the corporation as provided in subdivision (e) or (f) of Section 2204, subdivision (e) of Section 6810, or subdivision (e) of Section 8810 of the Corporations Code.

19141.5. (a) (1) The provisions of Section 6038A of the Internal Revenue Code, relating to information with respect to certain foreign-owned corporations, shall apply.

(2) A penalty shall be imposed under this part for failure to furnish information or maintain records and that penalty shall be determined in accordance with the provisions of Section 6038A of the Internal Revenue Code.

(3) The provisions of Section 11314 of Public Law 101-508, relating to application of amendments made by Section 7403 of the Revenue Reconciliation Act of 1989 to taxable years beginning on or before July 10, 1989, shall apply.

(4) Section 6038A(e) of the Internal Revenue Code, relating to enforcement of requests for certain records, is modified as follows:

(A) Each reference to Section 7602, 7603, or 7604 of the Internal Revenue Code shall instead refer to Section 19504.

(B) Each reference to "summons" shall instead refer to "subpoena duces tecum."

(C) Section 6038A(e)(4)(C) of the Internal Revenue Code shall refer to "superior courts of the State of California for the Counties of Los Angeles, Sacramento, and San Diego, and for the City and County of San Francisco," instead of "United States district court for the district in which the person (to whom the summons is issued) resides or is found."

(b) (1) The provisions of Section 6038B of the Internal Revenue Code, relating to notice of certain transfers to foreign persons, shall apply.

(2) A penalty shall be imposed under this part for failure to furnish information or maintain records and that penalty shall be determined in accordance with the provisions of Section 6038B of the Internal Revenue Code.

(c) (1) The provisions of Section 6038C of the Internal Revenue Code, relating to information with respect to foreign corporations engaged in United States business, shall apply.

(2) A penalty shall be imposed under this part for failure to furnish information or maintain records and that penalty shall be determined in accordance with the provisions of Section 6038C of the Internal Revenue Code.

(3) Section 6038C(d) of the Internal Revenue Code, relating to enforcement of requests for certain records, is modified as follows:

(A) Each reference to Section 7602, 7603, or 7604 of the Internal Revenue Code shall instead refer to Section 19504.

(B) Each reference to "summons" shall instead refer to "subpoena duces tecum."

(d) For purposes of this part, the information required to be filed with the Franchise Tax Board pursuant to this section shall be a copy of the information filed with the Internal Revenue Service.

19142. Except as provided in Sections 19147 and 19148, in the case of any underpayment of tax imposed under Part 11 (commencing with Section 23001) there shall be added to the tax for the income year an amount determined at the rate established under Section 19521 on the amount of the underpayment for the period of the underpayment.

19144. For the purposes of Section 19142 the amount of the underpayment shall be the excess of—

(a) (1) The amount of the installment which would be required to be paid if the estimated tax were equal to 95 percent of the tax shown on the return for the income year, or (2) in the case of the tax imposed by Article 3 (commencing with Section 23181) of Chapter 2 of Part 11 an amount equal to 95 percent of the lesser of the tax computed at the rate provided by Section 19024 (but otherwise on the basis of the facts shown on the return and the law applicable to the income year), or the tax shown on the return for the income year as prescribed by Section 19021, or (3) if no return was filed, 95 percent of the tax for that year, over

(b) The amount, if any, of the installment paid on or before the last date prescribed for payment.

19145. For purposes of Section 19142, the period of the underpayment shall run from the date the installment was required to be made to whichever of the following date is the earlier:

(a) The 15th day of the third month following the close of the income year, except in the case of a corporation which is subject to the tax imposed under Section 23731, in which case "fifth" shall be

substituted for "third."

(b) With respect to any portion of the underpayment, the date on which that portion is paid. For purposes of this subdivision, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent the payment exceeds the amount of the installment determined under subdivision (a) of Section 19144 for the installment date.

19147. (a) Notwithstanding Sections 19142 to 19145, inclusive, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax paid on or before the last date prescribed for the payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the estimated tax were whichever of the following is the lesser:

(1) (A) The tax shown on the return of the taxpayer for the preceding income year if a return showing a liability for tax was filed by the taxpayer for the preceding year and that preceding year was a year of 12 months. The tax shown on the return, in the case of the tax imposed by Article 3 (commencing with Section 23181) of Chapter 2 of Part 11, means the amount of tax shown on the return for the income year as prescribed in Section 19021.

(B) In the case of a large corporation, subparagraph (A) shall not apply, except as provided in clauses (i) and (ii).

(i) Subparagraph (A) shall apply for purposes of determining the amount of the first required installment for any income year.

(ii) Any reduction in the first required installment by reason of clause (i) shall be recaptured by increasing the amount of the next required installment by the amount of that reduction.

(2) (A) An amount equal to 95 percent of the tax for the income year computed by placing on an annualized basis the taxable income:

(i) For the first three months of the income year, in the case of the installment required to be paid in the fourth month,

(ii) For the first three months or for the first five months of the income year, in the case of the installment required to be paid in the sixth month,

(iii) For the first six months or for the first eight months of the income year in the case of the installment required to be paid in the ninth month, and

(iv) For the first nine months or for the first 11 months of the income year, in the case of the installment required to be paid in the 12th month of the taxable year.

(B) For purposes of this paragraph, the taxable income shall be placed on an annualized basis by—

(i) Multiplying by 12 the taxable income referred to in subparagraph (A), and

(ii) Dividing the resulting amount by the number of months in the income year referred to in subparagraph (A).

"Taxable income" as used in this paragraph means, "net income" includable in the measure of tax or "alternative minimum taxable

income" (as defined by Section 23455).

(C) In the case of any corporation which is subject to the tax imposed under Section 23731, each of the following shall apply:

(i) Any reference to taxable income shall be treated as including a reference to unrelated business taxable income.

(ii) Clauses (i) and (ii) of subparagraph (A) shall be applied by substituting "two months" for "three months."

(iii) Clause (ii) of subparagraph (A) shall be applied by substituting "four months" for "five months."

(iv) Clause (iii) of subparagraph (A) shall be applied by substituting "seven months" for "eight months."

(v) Clause (iv) of subparagraph (A) shall be applied by substituting "ten months" for "eleven months."

(3) Ninety-five percent or more of the tax for the income year was paid by withholding of tax pursuant to Section 18662.

(4) Ninety-five percent or more of the net income for the income year consists of items from which an amount was withheld pursuant to Section 18662 and the amount of the first installment, including payments applied pursuant to subdivision (c) of Section 19025, equals at least the minimum franchise tax specified in Section 23153.

(b) (1) For purposes of this section, "large corporation" means any corporation or bank if that corporation or bank (or any predecessor corporation or bank) had taxable income (computed without regard to net operating loss deductions) of one million dollars ($1,000,000) or more for any income year during the testing period.

(2) For purposes of this subdivision, "testing period" means the three income years immediately preceding the income year involved.

19148. (a) Notwithstanding Sections 19142 to 19147, inclusive, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of that installment equals or exceeds 95 percent of the amount determined under subdivision (b).

(b) The amount determined under this subdivision for any installment shall be determined in the following manner:

(1) Take the net income for all months during the income year preceding the filing month,

(2) Divide that amount by the base period percentage for all months during the income year preceding the filing month,

(3) Determine the tax on the amount determined under paragraph (2), and

(4) Multiply the tax computed under paragraph (3) by the base period percentage for the filing months and all months during the income year preceding the filing month.

(c) For purposes of this subdivision:

(1) The base period percentage for any period of months shall be the average percent which the net income for the corresponding

months in each of the three preceding income years bears to the net income for the three preceding income years.

(2) "Filing month" means the month in which the installment is required to be paid.

(3) This subdivision shall only apply if the base period percentage for any six consecutive months of the income year equals or exceeds 70 percent.

(4) The Franchise Tax Board may by regulations provide for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

19149. (a) Notwithstanding any other provision of Sections 19142 to 19151, inclusive, if the amount of estimated tax due and payable under Section 19025 is only the minimum franchise tax imposed by Section 23153, then the addition to the tax with respect to any underpayment of any installment imposed by Section 19142 shall be calculated only on the basis of the amount of the minimum franchise tax.

(b) This section shall not apply to a large corporation as defined in subdivision (b) of Section 19147.

19150. The application of Sections 19142 to 19151, inclusive, to income years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

19151. Notwithstanding Sections 19142 to 19150, inclusive, the addition to the tax with respect to underpayment of any installment shall not be imposed on an exempt corporation whose exemption is retroactively revoked unless the corporation has notice that the estimated tax should have been paid. The denial of the organization's exemption application or the revocation of its exemption by the Internal Revenue Service normally satisfies the notice requirement.

19161. (a) No addition to the tax shall be made under Section 19132, 19136, or 19142 for failure to make timely payment of tax with respect to a period during which a case is pending under Title 11 of the United States Code in either of the following situations:

(1) If that tax was incurred by the estate and the failure occurred pursuant to an order of the court finding probable insufficiency of funds of the estate to pay administrative expenses.

(2) If:

(A) That tax was incurred by the debtor before the earlier of the order for relief or (in the involuntary case) the appointment of a trustee, and

(B) (i) The petition was filed before the due date prescribed by law (including extensions) for filing a return of that tax, or

(ii) The date for making the addition to the tax occurs on or after the day on which the petition was filed.

(b) Subdivision (a) shall not apply to any liability for an addition to the tax which arises from the failure to pay or deposit a tax withheld or collected from others and required to be paid to the State of California.

19164. (a) (1) An accuracy-related penalty shall be imposed

under this part and shall be determined in accordance with the provisions of Section 6662 of the Internal Revenue Code, relating to imposition of accuracy-related penalty.

(2) With respect to banks and corporations, this subdivision shall apply to all of the following:

(A) All income years beginning on or after January 1, 1990.

(B) Any other income year for which an assessment is made after July 16, 1991.

(b) A fraud penalty shall be imposed under this part and shall be determined in accordance with the provisions of Section 6663 of the Internal Revenue Code, relating to imposition of fraud penalty.

(c) The provisions of Section 6664 of the Internal Revenue Code, relating to definitions and special rules, shall apply.

(d) The provisions of Section 6665 of the Internal Revenue Code, relating to applicable rules, shall apply.

19166. A penalty shall be imposed for understatement of any taxpayer's liability by a tax return preparer. The penalty shall be determined in accordance with Section 6694 of the Internal Revenue Code, except that Section 6694(c) of the Internal Revenue Code shall not be applicable and, in lieu thereof, the following shall apply:

(a) If, within 30 days after the day on which notice and demand of any penalty under Section 6694(a) or 6694(b) of the Internal Revenue Code is made against any person who is an income tax return preparer, that person pays an amount which is not less than 15 percent of the amount of that penalty and files a claim for refund of the amount so paid, no levy or proceeding in court for the collection of the remainder of that penalty shall be made, begun, or prosecuted until the final resolution of a proceeding begun as provided in subdivision (b). Notwithstanding Section 19381, the beginning of that proceeding or levy during the time that prohibition is in force may be enjoined in a proceeding in the superior court.

(b) If, within 30 days after the day on which a claim for refund of any partial payment of any penalty under Section 6694(a) or 6694(b) of the Internal Revenue Code is denied (or, if earlier, within 30 days after the expiration of six months after the day on which the claim for refund has been filed), the income tax return preparer fails to begin a proceeding in the superior court for the determination of his or her liability for that penalty, subdivision (a) shall cease to apply with respect to that penalty, effective on the day following the close of the applicable 30-day period referred to in this subdivision.

(c) The running of the period of limitations provided in Section 19371 on the collection by levy or by a proceeding in court in respect of any penalty described in subdivision (a) shall be suspended for the period during which the Franchise Tax Board is prohibited from collecting by levy or a proceeding in court.

19167. A penalty shall be imposed under this section for any of the following:

(a) In accordance with Section 6695(a) of the Internal Revenue

Code, for failure to furnish a copy of the return to the taxpayer, as required by Section 19255.

(b) In accordance with Section 6695(c) of the Internal Revenue Code, for failure to furnish an identifying number, as required by Section 19254.

(c) In accordance with Section 6695(d) of the Internal Revenue Code, for failure to retain a copy or list, as required by Section 19255.

19168. The following rules shall apply to any penalty imposed under Section 19166 or 19167:

(a) The penalties shall be in addition to any other penalties provided by law.

(b) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not be applicable.

19169. (a) In addition to the criminal penalty provided by Section 19712, any tax preparer who endorses or otherwise negotiates (directly or through an agent) any warrant made in respect of the taxes imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) which is issued to a taxpayer (other than the tax preparer) shall pay a penalty of two hundred fifty dollars ($250) with respect to each warrant. The preceding sentence shall not apply with respect to the deposit by a bank (as defined by Section 581 of the Internal Revenue Code) of the full amount of the warrant in the taxpayer's account in that bank for the benefit of the taxpayer.

(b) For purposes of subdivision (a), "tax preparer" means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) or any claim for refund of tax imposed by Part 10 or Part 11. For purposes of the preceding sentence, the preparation of a substantial portion of a return or claim for refund shall be treated as if it were the preparation of that return or claim for refund.

A person shall not be a "tax preparer" merely because the person does any of the following:

(1) Furnishes typing, reproducing, or other mechanical assistance.

(2) Prepares a return or claim for refund of the employer (or of an officer or employee of the employer) by whom that person is regularly and continuously employed.

(3) Prepares as a fiduciary a return or claim for refund for any person.

(c) This section shall not apply where the tax preparer has advanced the taxpayer an amount of money equal to or greater than the amount of the taxpayer's refund.

19172. (a) In addition to the penalty imposed by Section 19706 (relating to willful failure to file return, supply information, or pay tax), if any partnership required to file a return under Section 18633 for any taxable year does either of the following:

(1) Fails to file the return at the time prescribed therefor (determined with regard to any extension of time for filing).

(2) Files a return which fails to show the information required under Section 18633, that partnership shall be liable for a penalty determined under subdivision (b) for each month (or fraction thereof) during which that failure continues (but not to exceed five months), unless it is shown that the failure is due to reasonable cause.

(b) For purposes of subdivision (a), the amount determined under this subdivision for any month is the product of the following:

(1) Ten dollars ($10), multiplied by

(2) The number of persons who were partners in the partnership during any part of the taxable year.

(c) The penalty imposed by subdivision (a) shall be assessed against the partnership.

(d) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not apply with respect to the assessment or collection of any penalty imposed by subdivision (a).

19173. (a) In addition to the penalty imposed by Section 19701 (relating to willful failure to file a return or supply information), if any person required to file a return under Section 18648 for any calendar year does any of the following: (1) fails to file a return within 60 days of a request, (2) files a return which fails to show the information required under Section 18648, or (3) fails to furnish the required statement to each investor, that person shall be liable for a penalty determined under subdivision (b), unless it is shown that such a failure is due to reasonable cause.

(b) For purposes of subdivision (a), the amount determined under this subdivision is the product of one thousand dollars ($1,000), multiplied by the number of investors required to be shown on the return. If the number of investors cannot be determined by the Franchise Tax Board, the amount determined under this subdivision shall be one hundred thousand dollars ($100,000).

(c) The penalty imposed by subdivision (a) shall be assessed against that person required to file a return under Section 18648.

(d) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not apply with respect to the assessment or collection of any penalty imposed by subdivision (a).

19174. (a) Any person who has a duty to file returns under Section 18648 and fails to keep the records required by subdivision (d) of Section 18648 shall pay a penalty for each calendar year for which there is any failure to keep those records, unless it is shown that the failure is due to reasonable cause.

(b) The penalty for any person for any calendar year shall be one thousand dollars ($1,000), multiplied by the number of investors with respect to whom that failure occurs in the calendar year reporting period. If the number of investors cannot be determined by the Franchise Tax Board, the amount determined under this subdivision

for any calendar year reporting period shall be one hundred thousand dollars ($100,000).

(c) The penalty under this section shall be assessed against the person required to file a return under Section 18648.

(d) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not apply with respect to the assessment or collection of any penalty imposed by subdivision (a).

19175. (a) In addition to the penalty imposed by Section 19183 (relating to failure to file information returns), if any person or entity fails to report amounts paid as remuneration for personal services as required under Section 13050 of the Unemployment Insurance Code or Sections 18637 and 18638 on the date prescribed therefor (determined with regard to any extension of time for filing), that person or entity may be liable for a penalty determined under subdivision (b).

(b) For purposes of subdivision (a), the amount determined under this subdivision is the maximum rate under Section 17041 multiplied by the unreported amounts paid as remuneration for personal services.

(c) The penalty imposed by subdivision (a) shall be assessed against that person or entity required to file a return under Section 13050 of the Unemployment Insurance Code or Section 18637 or 18638.

(d) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not apply with respect to the assessment or collection of any penalty imposed by subdivision (a).

(e) The penalty imposed under subdivision (a) shall be in lieu of the penalty imposed under Section 13052.5 of the Unemployment Insurance Code (relating to unreported compensation). In the event that a penalty is imposed under this section and Section 13052.5 of the Unemployment Insurance Code, only the penalty imposed under Section 13052.5 of the Unemployment Insurance Code shall apply.

19176. (a) In addition to any criminal penalty provided by law if:

(1) Any individual makes a statement under Section 13040, 13041, or 13042 of the Unemployment Insurance Code which results in a decrease in the amounts deducted and withheld under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code; and

(2) As of the time the statement was made, there was no reasonable basis for the statement, the individual shall pay a penalty of five hundred dollars ($500) for the statement. Any penalty so imposed shall be paid upon notice and demand from the Franchise Tax Board and shall be collected as a tax.

(b) The Franchise Tax Board may waive (in whole or in part) the penalty imposed under subdivision (a) if the taxes imposed under Part 10 (commencing with Section 17001) with respect to the individual for the taxable year are equal to or less than the sum of

both of the following:

(1) The credits against those taxes allowed by Chapter 2 (commencing with Section 17041) of Part 10 and Section 19002.

(2) The payments of estimated tax which are considered payments on account of those taxes.

(c) This section supersedes Section 13101 of the Unemployment Insurance Code and shall apply to acts and failures to act after December 31, 1981.

19177. A penalty shall be imposed for promoting abusive tax shelters. The penalty shall be determined in accordance with the provisions of Section 6700 of the Internal Revenue Code.

19178. A penalty shall be imposed for aiding and abetting understatement of tax liability. The penalty shall be determined in accordance with Section 6701 of the Internal Revenue Code.

19179. A penalty shall be imposed for filing a frivolous return. The penalty shall be determined in accordance with Section 6702 of the Internal Revenue Code, except that it shall be applied to returns required to be filed under this part.

19180. (a) In any proceeding involving the issue of whether or not any person is liable for a penalty under Section 19177, 19178, or 19179, the burden of proof with respect to that issue shall be on the Franchise Tax Board.

(b) Sections 19041 to 19049, inclusive, (relating to deficiency procedures) shall not apply with respect to the assessment or collection of the penalties provided by Section 19177, 19178, or 19179.

(c) (1) If, within 30 days after the day on which notice and demand of any penalty under Section 19177, 19178, or 19179 is made against any person, that person pays an amount which is not less than 15 percent of the amount of that penalty and files a claim for refund of the amount so paid, no levy or proceeding in court for the collection of the remainder of that penalty shall be made, begun, or prosecuted until the final resolution of a proceeding begun as provided in paragraph (2). Notwithstanding Section 19381, the beginning of that proceeding or levy during the time that prohibition is in force may be enjoined by a proceeding in the superior court.

(2) If, within 30 days after the day on which the claim for refund of any partial payment of any penalty under Section 19177, 19178, or 19179 is denied (or, if earlier, within 30 days after the expiration of six months after the day on which a claim for refund was filed), the person fails to begin a proceeding in the superior court for the determination of the liability for that penalty, paragraph (1) shall cease to apply with respect to that penalty, effective on the day following the close of the applicable 30-day period referred to in this paragraph.

(3) The running of the period of limitations provided in Section 19371 on the collection by levy or by a proceeding in court in respect of any penalty described in paragraph (1) shall be suspended for the period during which the Franchise Tax Board is prohibited from

collecting by levy or a proceeding in court.

19181. A penalty shall be imposed for failing to meet the requirements of Section 18649, relating to original issue discount reporting requirements with respect to any person subject to tax under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001). The penalty shall be determined in accordance with Section 6706 of the Internal Revenue Code.

19182. (a) A penalty shall be imposed for failure to furnish information pursuant to Section 18547 and the penalty amount shall be determined in accordance with Section 6707 of the Internal Revenue Code.

(b) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not apply in respect of the assessment or collection of any penalty imposed under this section.

19183. (a) (1) A penalty shall be imposed for failure to file correct information returns, as required by this part, and that penalty shall be determined in accordance with Section 6721 of the Internal Revenue Code.

(2) Section 6721(e) of the Internal Revenue Code is modified as follows:

(A) To refer to subdivision (a) of Section 18641 in lieu of Section 6045(a) of the Internal Revenue Code.

(B) The reference to Section 6041A(b) of the Internal Revenue Code shall not apply.

(b) (1) A penalty shall be imposed for failure to furnish correct payee statements as required by this part, and that penalty shall be determined in accordance with Section 6722 of the Internal Revenue Code.

(2) Section 6722(c) of the Internal Revenue Code is modified as follows:

(A) To refer to subdivision (b) of Section 18641 in lieu of Section 6045(b) of the Internal Revenue Code.

(B) The references to Sections 6041A(b) and 6041A(e) of the Internal Revenue Code shall not apply.

(c) A penalty shall be imposed for failure to comply with other information reporting requirements under this part, and that penalty shall be determined in accordance with Section 6723 of the Internal Revenue Code.

(d) (1) The provisions of Section 6724 of the Internal Revenue Code relating to waiver, definitions, and special rules, shall apply, except as otherwise provided.

(2) Section 6724(d)(1) is modified as follows:

(A) The following references are substituted:

(i) Section 18637, in lieu of Section 6041(a) of the Internal Revenue Code.

(ii) Section 18638, in lieu of Section 6041A(a) of the Internal Revenue Code.

(iii) Subdivision (a) of Section 18640, in lieu of Section 6044(a)(1) of the Internal Revenue Code.

(iv) Subdivision (a) of Section 18641, in lieu of Section 6045(a) of the Internal Revenue Code.

(v) Subdivision (a) of Section 18644, in lieu of Section 6050A(a) of the Internal Revenue Code.

(vi) Subdivision (a) of Section 18647, in lieu of Section 6052(a) of the Internal Revenue Code.

(B) References to Sections 4093(c)(4), 4093(e), 4101(d), 6041(b), 6041A(b), 6045(d), 6051(d), and 6053(c)(1) of the Internal Revenue Code shall not apply.

(3) Section 6724(d)(2) is modified as follows:

(A) The following references are substituted:

(i) Subdivision (b) of Section 18505, in lieu of Section 6034A of the Internal Revenue Code.

(ii) Subdivision (a) of Section 18636, in lieu of Section 6039(a) of the Internal Revenue Code.

(iii) Subdivision (b) of Section 18640, in lieu of Section 6044(e) of the Internal Revenue Code.

(iv) Subdivision (b) of Section 18641, in lieu of Section 6045(b) of the Internal Revenue Code.

(v) Subdivision (b) of Section 18644, in lieu of Section 6050A(b) of the Internal Revenue Code.

(vi) Subdivision (b) of Section 18647, in lieu of Section 6052(b) of the Internal Revenue Code.

(B) References to Sections 4093(c)(4)(B), 6031(b), 6037(b), 6041A(e), 6045(d), 6051(d), 6053(b), and 6053(c) of the Internal Revenue Code shall not apply.

(e) In the case of each failure to provide a written explanation as required by Section 402(f) of the Internal Revenue Code, at the time prescribed therefor, unless it is shown that the failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Franchise Tax Board and in the same manner as tax, by the person failing to provide that written explanation, an amount equal to ten dollars ($10) for each failure, but the total amount imposed on that person for all those failures during any calendar year shall not exceed five thousand dollars ($5,000).

(f) Any penalty imposed by this part shall be paid on notice and demand by the Franchise Tax Board and in the same manner as tax.

19184. (a) The person required by subdivision (c) of Section 17507 to file a report regarding an individual retirement account or individual retirement annuity shall pay a penalty of fifty dollars ($50) for each failure, unless it is shown that the failure is due to reasonable cause.

(b) (1) Any individual who:

(A) Is required to furnish information under Section 17508 as to the amount designated nondeductible contributions made for any taxable year, and

(B) Overstates the amount of those contributions made for that taxable year,

shall pay a penalty of one hundred dollars ($100) for each

overstatement unless it is shown that the overstatement is due to reasonable cause.

(2) Any individual who fails to file a form required to be filed by the Franchise Tax Board under Section 17508 shall pay a penalty of fifty dollars ($50) for each failure unless it is shown that the failure is due to reasonable cause.

(c) Article 3 (commencing with Section 19031) of this chapter (relating to deficiency assessments) shall not apply in respect of the assessment or collection of any penalty imposed under this section.

CHAPTER 5. COLLECTION OF TAX

Article 1. Judgment for Tax

19201. If any amount due under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or any amount that may be collected by the Franchise Tax Board as though it were a tax, is not paid, the Franchise Tax Board may file in the Office of the County Clerk of Sacramento County, or any other county, a certificate specifying the amount due, the name and last known address of the taxpayer liable for the amount due, and the fact that the Franchise Tax Board has complied with all provisions of the law in the computation and levy of the amount due, and a request that judgment be entered against the taxpayer in the amount set forth in the certificate.

19202. The county clerk immediately upon the filing of the certificate shall enter a judgment for the people of the State of California against the taxpayer in the amount set forth in the certificate. The county clerk may file the judgment in a loose-leaf book entitled "Personal Income Tax Judgments" or "Bank and Corporation Tax Judgments," as appropriate.

19203. An abstract or a copy of the judgment may be recorded with the county recorder of any county. From the time of the recording, the amount set forth constitutes a lien upon all real property of the taxpayer in the county, owned by the taxpayer or afterward and before the lien expires acquired by the taxpayer. Such lien has the force, effect, and priority of a judgment lien and continues for 10 years from the date of the recording unless sooner released or otherwise discharged.

19204. Within 10 years from the date of the recording or within 10 years from the date of the last extension of the lien in the manner provided in this section, the lien may be extended by recording in the office of the county recorder of any county an abstract or copy of the judgment. From the time of the recording the lien extends to the property in the county for 10 years unless sooner released or otherwise discharged.

19205. Execution shall issue upon the judgment upon request of the Franchise Tax Board in the same manner as execution may issue upon other judgments, and sales shall be held under the execution

as prescribed in the Code of Civil Procedure.

19206. The Franchise Tax Board may, at any time, release all or any portion of the property subject to any lien provided for in this article from the lien or subordinate the lien to other liens if it determines that the taxes are sufficiently secured by a lien on other property of the taxpayer or that the release or subordination of the lien will not endanger or jeopardize the collection of the taxes.

19207. The Franchise Tax Board may release any lien imposed under Section 19203 or 19204 if it finds that the liability represented by the lien, including any interest accrued thereon, is legally unenforceable.

19208. A certificate by the Franchise Tax Board to the effect that any property has been released from a lien or that the lien has been subordinated to other liens is conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

19209. If the Franchise Tax Board records a certificate of release pursuant to Section 19206 or 19207, the cost of recording is an obligation of the taxpayer and may be collected from the taxpayer in any manner provided in this part for the collection of the tax.

Article 2. Lien of Tax

19221. (a) If any taxpayer or person fails to pay any liability imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) at the time that it becomes due and payable, the amount thereof, (including any interest, additional amount, addition to tax, or penalty, together with any costs that may accrue in addition thereto) shall thereupon be a perfected and enforceable state tax lien. Such a lien is subject to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.

(b) For the purpose of this section, amounts are "due and payable" on the following dates:

(1) For amounts of any liability disclosed on a return filed on or before the date payment is due (with regard to any extension of time to pay), the date the amount is established on the records of the Franchise Tax Board, except that in no case will it be prior to the day after such payment due date;

(2) For amounts of any liability disclosed on a return filed after the date payment is due (with regard to any extension of time to pay), the date the amount is established on the records of the Franchise Tax Board;

(3) For amounts of any liability determined under Section 19081 or 19082 (pertaining to jeopardy assessments), the date the notice of the Franchise Tax Board's finding is mailed or issued;

(4) For all other amounts of liability, the date the assessment is final.

19222. For the purposes of this section, if any certified,

treasurer's, or cashier's check (or other guaranteed draft), or any money order received in payment of any liability imposed under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part is not duly paid, the state shall, in addition to its right to exact payment from the party originally indebted therefor, have a perfected and enforceable state tax lien for the amount of that check (or draft) upon all the assets of the financial institution on which drawn or for the amount of that money order upon all the assets of the issuer thereof. The lien referred to in the preceding sentence shall be subject to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.

19223. Upon recordation or filing of a notice of state tax lien pursuant to Section 7171 of the Government Code by the Franchise Tax Board for any taxes due from the grantor of a trust on income of the trust which is taxable to the grantor under Part 10 (commencing with Section 17001), and upon its giving notice of the recording or filing pursuant to Section 7171 of the Government Code to the fiduciary of the trust, or in case there is more than one fiduciary to any one of the fiduciaries, the amount of the taxes constitutes a lien upon all the real or personal property of the trust in the county owned by the trust or afterwards and before the lien expires acquired by the trust. The lien has the force, effect, and priority of a lien created pursuant to Section 19221.

19224. The notice required to be given by Section 19223 may be served upon the fiduciary personally, or by mail; if by mail, service shall be made pursuant to Section 1013 of the Code of Civil Procedure and shall be addressed to the fiduciary at his or her address as it appears in the records of the Franchise Tax Board.

Article 3. Warrant for Collection of Tax

19231. The Franchise Tax Board or its authorized representative may issue a warrant for the collection of any tax, interest, or penalty and for the enforcement of any lien.

19232. The warrant shall be directed to any sheriff, constable, marshal, or the California State Police and shall have the same force and effect as a writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner and with the same force and effect as a levy of and sale pursuant to a writ of execution.

19233. The Franchise Tax Board shall pay or advance to the sheriff, constable, marshal, or the California State Police the same fees, commissions, and expenses as are provided by law for similar services pursuant to a writ of execution. The Franchise Tax Board, and not the court, shall approve the fees for publication in a newspaper.

19234. The fees, commissions, and expenses are an obligation of the taxpayer and may be collected from the taxpayer by virtue of the warrant or in any other manner provided in this part for the collection of a tax.

19235. Whenever property is levied upon by warrant pursuant to Section 19231, the reasonable costs associated with the sale of that property, including, but not limited to, appraisers' fees, auctioneers' fees, and advertising fees are an obligation of the taxpayer and may be collected from the taxpayer by virtue of the warrant or in any other manner provided in this part for the collection of tax.

Article 4. Miscellaneous Provisions

19251. The remedies of the state provided for in this chapter are cumulative, and no action taken by the Franchise Tax Board constitutes an election by the state to pursue any remedy to the exclusion of any other remedy for which provision is made in this part.

19252. In all proceedings under this chapter the Franchise Tax Board may act on behalf of the people of the State of California.

19253. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of assets.

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the state a preference over any lien or security interest which was recorded or perfected prior to the time when the state records or files its lien as provided in Section 7171 of the Government Code.

The preference given to the state by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

19254. (a) (1) If any person fails to pay any amount of tax, penalty, addition to tax, interest, or other liability imposed and delinquent under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, a collection cost recovery fee shall be imposed if the Franchise Tax Board has mailed notice to that person for payment that advises that continued failure to pay the amount due may result in collection action, including the imposition of a collection cost recovery fee. The collection cost recovery fee shall be in the amount of:

(A) In the case of an individual, partnership, or fiduciary, eighty-eight dollars ($88) or an amount as adjusted under subdivision (b).

(B) In the case of a bank or corporation, one hundred sixty-six dollars ($166) or an amount as adjusted under subdivision (b).

(2) If any person fails or refuses to make and file a tax return

required by Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, within 25 days after formal legal demand to file the tax return is mailed to that person by the Franchise Tax Board, the Franchise Tax Board shall impose a filing enforcement cost recovery fee in the amount of:

(A) In the case of an individual, partnership, or fiduciary, fifty-one dollars ($51) or an amount as adjusted under subdivision (b).

(B) In the case of a bank or corporation, one hundred nineteen dollars ($119) or an amount as adjusted under subdivision (b).

(b) For fees imposed under this section during the fiscal year 1993–94 and fiscal years thereafter, the amount of those fees shall be set to reflect actual costs and shall be specified in the annual Budget Act.

(c) Interest shall not accrue with respect to the cost recovery fees provided by this section.

(d) The amounts provided by this section are obligations imposed by this part and may be collected in any manner provided under this part for the collection of a tax.

(e) Subdivision (a) is operative with respect to the notices for payment or formal legal demands to file, either of which is mailed on or after September 15, 1992.

(f) The Franchise Tax Board shall determine the total amount of the cost recovery fees collected or accrued through June 30, 1993, and shall notify the Controller of that amount. The Controller shall transfer that amount to the Franchise Tax Board, and that amount is hereby appropriated to the board for the 1992–93 fiscal year for reimbursement of its collection and filing enforcement efforts.

19256. The Franchise Tax Board may, in the allowance of any amount as a credit or refund, or in the collection of any amount as a deficiency or underpayment, of any tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), disregard a fractional part of a dollar unless it amounts to fifty cents ($0.50) or more, in which case it shall be increased to one dollar ($1).

19262. (a) At any time within which an action can be brought to collect any delinquent amounts as provided in Article 2 (commencing with Section 19371) of Chapter 6, the Franchise Tax Board may collect the tax, together with penalties and interest, in the following manner: The Franchise Tax Board shall seize any personal property owned by the taxpayer against whom the tax is assessed, and thereafter sell at public auction the property so seized, or a sufficient portion thereof, to pay the tax due hereunder, together with any interest, and any penalty or penalties imposed hereby for that delinquency, and any and all costs that may have been incurred on account of the seizure and sale. Notice of the intended sale and the time and place thereof, shall be given to the delinquent taxpayer and to all persons appearing of record to have an interest in the property, in writing, at least 10 days before the date set for the sale by enclosing the notice in an envelope addressed to the taxpayer at

its last known place of business in this state if any, and, in the case of any person appearing of record to have an interest in the property, addressed to that person at the last known place of residence, if any, and depositing the same in the United States mail, postage prepaid, and by publication for at least 10 days before the date set for the sale in a newspaper of general circulation published in the county in which the property seized is to be sold; provided, however, that if there be no newspaper of general circulation in that county then by the posting of the notice in three public places in the county for the 10-day period. The notice shall contain a description of the property to be sold, together with a statement of the amount of the taxes, interest, penalties, and costs, the name of the taxpayer, and the further statement that, unless the taxes, interest, penalties, and costs are paid on or before the time fixed in the notice for the sale, the property, or so much thereof as may be necessary, will be sold in accordance with law and the notice.

(b) For purposes of this section, the term tax shall include any liability imposed pursuant to Article 7 (commencing with Section 19131) of Chapter 4, and any interest imposed thereon.

19263. At any sale authorized by Section 19262, the property shall be sold by the Franchise Tax Board or its duly authorized agent in accordance with law and the notice of sale, and the Franchise Tax Board shall deliver to the purchaser a bill of sale for the property so sold and the bill of sale shall vest title in the purchaser. The unsold portion of any property so seized may be left at the place of sale at the risk of the taxpayer. If, upon any sale, the moneys so received exceed the amount of all taxes, interest, penalties and costs due the state from the taxpayer, any excess shall be returned to the taxpayer and a receipt therefor obtained. However, if any person having an interest in or lien upon the property has filed with the Franchise Tax Board prior to any sale notice of the interest or lien, the Franchise Tax Board shall withhold any excess pending a determination of the rights of the respective parties thereto by a court of competent jurisdiction.

If, for any reason, the receipt of the taxpayer is not available, the Franchise Tax Board shall deposit the excess moneys with the Treasurer, as trustee for the owner, subject to the order of the taxpayer or his or her trust or estate, or in the case of a bank or corporation, its successor through reorganization, merger, or consolidation, or its stockholders upon dissolution.

Article 5. Collection of Child Support

19271. (a) When a child support delinquency is reported to the State Department of Social Services pursuant to Title 5.5 (commencing with Section 4750) of Part 5 of Division 4 of the Civil Code, the county district attorney reporting that delinquency may refer, pursuant to the guidelines prescribed by the State Department of Social Services and the Franchise Tax Board for purposes of

implementing this article, the delinquency to the Franchise Tax Board for collection. For the period from January 1, 1993, to December 31, 1995, inclusive, for purposes of the manageable implementation and evaluation of the program authorized by this article, requests for referral shall only be made from district attorneys representing six counties, selected upon application, which may include two rural counties, two suburban counties, and two urban counties. These counties shall be selected by the State Department of Social Services and the Franchise Tax Board in consultation with county representatives.

(b) (1) When a delinquency is referred to the Franchise Tax Board pursuant to subdivision (a), the amount of the child support delinquency, and any interest accruing under subdivision (c), shall be collected from obligated parents by the Franchise Tax Board in any manner authorized under this part for the collection of a delinquent personal income tax liability.

(2) Any compensation, fee, commission, expense, or any other fee for service incurred by the Franchise Tax Board in the collection of a child support delinquency authorized under this article shall not be an obligation of, or collected from, the obligated parent. A referred child support delinquency shall be final and due and payable to the State of California upon written notice to the obligated parent by the Franchise Tax Board.

(3) For purposes of administering this article:

(A) This chapter and Chapter 7 (commencing with Section 19501) shall apply, except as otherwise provided by this article.

(B) Any services, information, or enforcement remedies available to a district attorney or the Title IV-D agency in collecting support delinquencies or locating absent or noncustodial parents shall be available to the Franchise Tax Board for purposes of collecting child support delinquencies under this article.

(C) A request by the Franchise Tax Board for information from a financial institution shall be treated in the same manner and to the same extent as a request for information from a district attorney referring to a support order pursuant to Section 11475.1 of the Welfare and Institutions Code for purposes of Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code (relating to governmental access to financial records), notwithstanding any other provision of law which is inconsistent or contrary to this paragraph.

(D) "Earnings" may include the items described in subdivision (c) of Section 4390 of the Civil Code.

(c) Interest on the delinquency shall be computed pursuant to Section 685.010 of the Code of Civil Procedure and shall be computed from the day the Franchise Tax Board receives the delinquency from the county. When notice of the amount due, including interest, is mailed by the Franchise Tax Board, and that amount is paid within 10 days after the date of the notice from the Franchise Tax Board, interest shall not be imposed for the period after the date of the

notice.

(d) In the event the collection action would cause undue financial hardship to the obligated parent, would threaten the health or welfare of the obligated parent or his or her family, or would cause undue irreparable loss to the obligated parent, the obligated parent may notify the Franchise Tax Board, which shall upon being notified refer the obligated parent to the referring county district attorney, unless the Franchise Tax Board is directed otherwise by the county district attorney for purposes of more effectively administering this article.

(e) (1) In no event shall a collection under this article be construed to be a payment of income taxes imposed under this part.

(2) In the event an obligated parent overpays a liability imposed under this part, the overpayment shall not be credited against any delinquency collected pursuant to this article. In the event an overpayment of a liability imposed under this part is offset and distributed to a referring county district attorney pursuant to Sections 12419.3 and 12419.5 of the Government Code or Section 708.740 of the Code of Civil Procedure, and thereby reduces the amount of the referred delinquency, the referring county district attorney shall immediately notify the Franchise Tax Board of that reduction, unless otherwise directed for purposes of more effectively administering this article.

(f) Except as otherwise provided in this article, any child support delinquency referred to the Franchise Tax Board pursuant to this article shall be treated as a child support delinquency for all other purposes, and any collection action by the county district attorney or the Franchise Tax Board with respect to any delinquency referred pursuant to this article shall have the same priority against attachment, execution, assignment, or other collection action as is provided by any other provision of state law.

(g) For purposes of this article, "child support" means support of a child, spouse, or family as provided in subdivision (h) of Section 4390 of the Civil Code.

(h) Nothing in this article shall be construed to modify the tax intercept provisions of Article 8 (commencing with Section 708.710) of Chapter 6 of Division 2 of Part 2 of the Code of Civil Procedure.

(i) The child support collection activities authorized by this article shall not interfere with the primary mission of the Franchise Tax Board to fairly and efficiently administer the Revenue and Taxation Code for which it is responsible.

19272. (a) Any child support delinquency collected by the Franchise Tax Board, including those amounts that result in overpayment of a child support delinquency, shall be distributed as specified by interagency agreement executed by the Franchise Tax Board and the State Department of Social Services, with the concurrence of the Controller.

(b) When a child support delinquency, or any portion thereof, has been collected by the Franchise Tax Board pursuant to this article,

the district attorney shall be notified that the delinquency or some portion thereof has been collected and shall be provided any other necessary relevant information requested.

(c) The referring county district attorney shall receive credit for no less than 50 percent of the amount of collections made pursuant to the referral, and shall receive no less than 50 percent of the applicable child support enforcement incentives pursuant to Section 15200.85 of the Welfare and Institutions Code. Pursuant to guidelines prescribed by the State Department of Social Services and the Franchise Tax Board, the referring county district attorney's percentage of the incentive credit may exceed 50 percent, depending upon the type of case referred to the Franchise Tax Board for collection, provided that state operations costs are recovered from incentive payments or other federal reimbursement. The remainder of the child support enforcement incentives, if any, shall be received by the Franchise Tax Board for reimbursement of the board's collection costs.

19273. (a) For the collection pursuant to this article of any child support delinquency from any obligated parent who is out of state, the Franchise Tax Board may utilize the procedures and mechanisms currently available for collection of taxes owed from out-of-state taxpayers, pursuant to Section 19376. As necessary, the Franchise Tax Board shall seek reciprocal agreements with other states to improve its ability to collect child support payments from out-of-state obligated parents on behalf of custodial parents residing in California. The Franchise Tax Board shall also share with the Internal Revenue Service any tax return information with respect to the location of the obligated parent, and may pursue agreements with the Internal Revenue Service, as permitted by federal law, to improve collections of child support delinquencies from out-of-state obligated parents through cooperative agreements with the service.

(b) The Statewide Automated Child Support System, established pursuant to Section 10815 of the Welfare and Institutions Code, shall, for purposes of this article, include the capacity to interface and exchange information with the Franchise Tax Board, and if feasible, the Internal Revenue Service, to enable the immediate reporting and tracking of obligated parent information.

(c) The State Department of Social Services and the Franchise Tax Board shall enter into any interagency agreements that are necessary for the implementation of this article.

19274. (a) This article shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes this date.

(b) Notwithstanding the repeal of this article, any collections attributable to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

CHAPTER 6. OVERPAYMENTS AND REFUNDS

Article 1. Claim for Refund

19301. (a) If the Franchise Tax Board or the board, as the case may be, finds that there has been an overpayment of any liability imposed under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part by a taxpayer for any year for any reason, the amount of the overpayment may be credited against any amount then due from the taxpayer and the balance shall be refunded to the taxpayer.

(b) In the case of a joint return filed under Section 18521, the amount of the overpayment may be credited against the amount then due from both taxpayers and the balance shall be refunded to both taxpayers in the names under which the return was paid.

(c) In the case of a bank or corporation, the balance shall be refunded to the taxpayer or its successor through reorganization, merger, or consolidation, or to its shareholders upon dissolution.

19302. (a) Except as provided in subdivision (b), if the Franchise Tax Board determines that the taxpayer paid an amount not required to be paid under this part, the Franchise Tax Board without obtaining the approval of the State Board of Control, shall set forth that fact in its records and may either credit the amount on any amounts then due and payable under this part from the taxpayer by whom the amount was paid or refund the amount or the balance to the taxpayer or the taxpayer's successors, administrators, or executors.

(b) No refund exceeding fifty thousand dollars ($50,000) shall be allowed or made until approved by the State Board of Control. Notwithstanding the preceding sentence, State Board of Control approval shall not be required with respect to a refund resulting from withholding, payment of estimated tax, or prepayment of taxes, or a rate determination pursuant to Section 23186.1 (relating to bank and financial corporation rates) for the taxable year, or from a settlement approved pursuant to Section 19442.

19306. No credit or refund shall be allowed or made after four years from the last day prescribed for filing the return (determined without regard to any extension of time for filing the return) or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of the period a claim therefor is filed by the taxpayer, or unless before the expiration of the period the Franchise Tax Board allows a credit, makes a refund, mails a notice of proposed overpayment on a preprinted form prescribed by the Franchise Tax Board, or certifies the overpayment to the State Board of Control for approval of the refunding thereof.

19307. For purposes of Section 19306, a return filed within four years from the last day prescribed for filing the return showing a credit allowable by Section 19002 or estimated tax paid pursuant to Section 19023, 19024, or 19136 in excess of the tax due, shall be

considered a claim for refund of the excess if the amount thereof is more than one dollar ($1). No refund of tax withheld or estimated tax paid shall be allowed to an employee or taxpayer who fails to file a return for the taxable year in respect of which the tax withheld or estimated tax was allowable as a credit.

19308. 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 mail a notice of proposed deficiency assessment under the same circumstances, if either of the following apply:

(a) The taxpayer has, within the period prescribed in Section 19306, agreed in writing, under Article 3 (commencing with Section 19031) of Chapter 4, to extend the time within which the Franchise Tax Board may propose a deficiency assessment.

(b) 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.

19309. Section 19306 shall apply to any claim filed, or credit or refund allowed or made, before the execution of an agreement pursuant to Section 19308.

19311. (a) If a change or correction is made or allowed by the Commissioner of Internal Revenue or other officer of the United States or other competent authority, or an amended return is required under Section 18622 and is filed timely, a claim for credit or refund resulting from the adjustment may be filed by the taxpayer within two years from the date of the final federal determination, or within the period provided in Section 19306, 19307, or 19308, whichever period expires later.

(b) This section shall apply to any federal determination that becomes final on or after January 1, 1993.

19312. Insofar as the claim for credit or refund relates to an overpayment on account of the deductibility, under Section 24348 of this code or Section 166 of the Internal Revenue Code, of a debt as one which became worthless, or a loss from worthlessness of a security under Section 24347 or 24348 of this code or Section 165(g) or 166 of the Internal Revenue Code, or an erroneous inclusion of an amount attributable to the recovery of a bad debt, prior tax or delinquency amount, under Section 111 of the Internal Revenue Code due to an adjustment of a bad debt deduction under Section 24348 of this code or Section 166 of the Internal Revenue Code, or a loss deduction from worthlessness of a security under Section 24347 of this code or Section 165(g) of the Internal Revenue Code, in lieu of the period of limitations prescribed in Section 19306, the period shall be seven years from the date prescribed by law for filing the return for the year with respect to which the claim is made.

19313. (a) In the case of any tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) with respect to any person, the period for filing a

claim for credit or refund of any overpayment attributable to any partnership item of a federally registered partnership shall not expire before the later of the following:

(1) The date which is five years after the date prescribed by law (including extensions thereof) for filing the partnership return for the partnership taxable year in which the item arose.

(2) If an agreement under Section 6501(c)(4) of the Internal Revenue Code of 1954 extending the period for the assessment of any deficiency attributable to the partnership item is made before the date specified in paragraph (1), the date six months after the expiration of the extension.

In any case to which the preceding sentence applies, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in Section 19306 or 19308, whichever is applicable.

(b) For purposes of this subdivision, "partnership item" and "federally registered partnership" have the same meanings as when used in Section 19063.

19314. (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 any 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 for the same year for a related taxpayer described in Section 19110.

(3) 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) of Part 11.

(b) The offset provided under 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 before the period set forth in Section 19306 a claim therefor is filed by the taxpayer or unless before the expiration of that period the Franchise Tax Board has allowed a credit, made a refund, or certified the overpayment to the State Board of Control for approval of the refunding thereof.

19321. A refund claim upon which action has become final shall not thereafter be considered a refund claim within the meaning of Section 19306 except to the extent it has been allowed.

19322. Every claim for refund shall be in writing, shall be signed by the taxpayer or the taxpayer's authorized representative, and shall state the specific grounds upon which it is founded. A claim filed for or on behalf of a class of taxpayers shall do all of the following:

(a) Be accompanied by written authorization from each taxpayer

sought to be included in the class.

(b) Be signed by each taxpayer or taxpayer's authorized representative.

(c) State the specific grounds on which the claim is founded.

19323. If the Franchise Tax Board disallows any claim for refund, it shall notify the taxpayer accordingly.

19324. (a) Except as provided in subdivision (b), at the expiration of 90 days from the mailing of the notice, the Franchise Tax Board's action upon the claim is final unless within the 90-day period the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

(b) If within the period set forth in Section 19384 for filing a suit for refund the Franchise Tax Board receives information which it determines clearly establishes that a disallowed claim should have been allowed, in whole or in part, the Franchise Tax Board shall credit the amount of the overpayment against any taxes due from the taxpayer under this part and the balance shall be refunded to the taxpayer.

19325. No interest shall be allowed or paid with respect to a claim for credit or refund based upon an overpayment which is the result of federal law, including treaties, which reduces taxes for taxable years prior to the enactment date of the federal law or the approval date of the treaty.

19331. If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim is filed, the taxpayer may prior to mailing of notice of action on the refund claim consider the claim disallowed and appeal to the board. For substitution of the 120-day period for the six-month period contained in this section in a Title 11 case, see Section 505(a)(2) of Title 11 of the United States Code.

19332. Two copies of the appeal and two copies of any supporting documents shall be addressed and mailed to the State Board of Equalization at Sacramento, California. Upon receipt of the appeal, the board shall provide one copy of the appeal and one copy of any supporting documents to the Franchise Tax Board at Sacramento, California.

19333. The board shall hear and determine the appeal and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination and the reasons therefor.

19334. The determination of the board is final upon the expiration of 30 days from the date of the determination unless within the 30-day period, the taxpayer or Franchise Tax Board files a petition for rehearing with the board. In that event the determination becomes final upon the expiration of 30 days from the date the board issues its opinion on the petition.

19335. If, with or after the filing of a protest or an appeal to the State Board of Equalization pursuant to Article 3 (commencing with Section 19031) of Chapter 4, a taxpayer pays the tax protested before the Franchise Tax Board acts upon the protest, or the board upon the

appeal, the Franchise Tax Board or board shall treat the protest or the appeal as a claim for refund or an appeal from the denial of a claim for refund filed under this article.

19340. Interest shall be allowed and paid on any overpayment in respect of any tax, at the adjusted annual rate established pursuant to Section 19521 as follows:

(a) In the case of a credit, from the date of the overpayment to the due date of the amount for which the credit is allowed. Any interest allowed on any credit shall first be credited on any taxes due from the taxpayer under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

(b) In the case of a refund, including a refund in excess of tax liability as prescribed in subdivision (j) of Section 17053.5, from the date of the overpayment to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the Franchise Tax Board.

19341. (a) Except as provided in subdivisions (b), (c), and (d), if any overpayment of tax is refunded or credited within 90 days after the return is filed, or within 90 days after the last day prescribed for filing the return of tax (determined without regard to any extension of time for filing the return), whichever is later, no interest shall be allowed under Section 19340 on the overpayment.

For the purposes of this section, "overpayment of tax" includes a refund in excess of tax liability as prescribed in subdivision (j) of Section 17053.5.

(b) In the case of returns which set forth no determination or amount of tax liability, or credits other than that allowed under Section 17053.5, and which are filed solely for the purpose of claiming the renter credit, no interest shall be allowed on refunds made within 90 days from the date on which the return is filed, or within 90 days after the last day prescribed for filing the return, whichever is later. This subdivision applies only when communication with the claimant or other verification is necessary to determine entitlement to the claimed credit.

(c) In the case of an individual or fiduciary taxable under Part 10 (commencing with Section 17001), for the 1982 taxable year and each taxable year thereafter, the 90-day time periods specified in subdivision (a) shall be 45 days.

(d) In the case of a return of tax which is filed after the last date prescribed for filing the return (determined with regard to extensions), no interest shall be allowed or paid for any day before the date on which the return is filed.

19342. If the Franchise Tax Board disallows interest on any claim for refund, it shall notify the taxpayer accordingly.

19343. At the expiration of 90 days from the mailing of the notice specified in Section 19342, the Franchise Tax Board's action upon the disallowance of the interest shall be final unless within the 90-day period, the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

19344. Two copies of the appeal and two copies of any supporting documents shall be addressed and mailed to the State Board of Equalization at Sacramento, California. Upon receipt of the appeal, the board shall provide one copy of the appeal and one copy of any supporting documents to the Franchise Tax Board at Sacramento, California.

19345. The board shall hear and determine the same and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination and the reasons therefor.

19346. The determination is final upon the expiration of 30 days from the date of the determination unless within the 30-day period, the taxpayer or Franchise Tax Board files a petition for rehearing with the board. In that event the determination becomes final upon the expiration of 30 days from the date the board issues its opinion upon the petition.

19347. Within 90 days after the mailing of the notice of the Franchise Tax Board's action disallowing interest upon any refund claim, or, in the case of an appeal to the board from the disallowance of interest on any refund claim, within the 90 days after the mailing of the notice of the board's determination of the appeal, the taxpayer may bring an action against the Franchise Tax Board on the grounds set forth for interest in the claim for the recovery of the interest.

19348. If the Franchise Tax Board fails to mail notice of action of disallowance of interest on any refund claim within six months after the interest was claimed, the taxpayer may, prior to mailing notice of action of disallowance of interest on the refund claim, consider the interest disallowed and bring an action against the Franchise Tax Board on the grounds set forth for interest in the claim for the recovery of the interest.

19349. A payment not made incident to a bona fide and orderly discharge of an actual liability or one reasonably assumed to be imposed by law, is not an overpayment for the purposes of Section 19340 and interest is not payable thereon.

19350. If a credit or refund of any part of an overpayment would be barred under Section 19306, except for Section 19312, no interest shall be allowed or paid with respect to that part of the overpayment for any period beginning after the expiration of the period of limitation provided in Section 19306 for filing claim for credit or refund of that part of the overpayment and ending at the expiration of six months after the date on which the claim was filed or, in case no claim was filed and the overpayment was found by the board, ending at the time the appeal was filed with the board.

19351. The provisions of Section 19066, which are applicable in determining the period of limitation on credit or refund, shall be applicable in determining the date of payment for purposes of Sections 19340, 19341, 19363, and 19391.

19354. If the amount allowable as a credit under Section 19002 (relating to credit for tax withheld) exceeds the tax imposed by Part 10 (commencing with Section 17001), against which the credit is

allowable, the amount of the excess shall be considered an overpayment.

19355. Any action of the Franchise Tax Board in refunding the excess of tax withheld under Section 18662 or 18666 or estimated tax paid pursuant to Section 19136 or any action of the Employment Development Department in refunding to the employer the excess tax withheld under Section 13020 of the Unemployment Insurance Code shall not constitute a determination of the correctness of the return of the taxpayer for purposes of this part.

19361. In the case of an overpayment of tax imposed by Section 18662 or 18666, refund or credit shall be made to the employer or to the withholding agent, as the case may be, only to the extent that the amount of the overpayment was not deducted and withheld by the employer or withholding agent. No interest shall be allowed on the overpayment.

19362. The Franchise Tax Board is authorized to prescribe regulations providing for the crediting against the estimated tax for any taxable year of the amount determined by the taxpayer or the Franchise Tax Board to be an overpayment of the tax for a preceding taxable year.

19363. Credits or refunds of overpayments of estimated tax shall be made by the Franchise Tax Board as provided in this article. Any amount paid as estimated tax for any taxable year shall be deemed to have been paid on the last day prescribed for filing the return for the income or taxable year (determined without regard to any extension of time for filing the return).

Article 2. Suit for Tax

19371. (a) At any time within 10 years after the determination of liability for any tax, penalties, and interest, or within the period during which a lien is in force as the result of the recording of an abstract under Section 19203 or of the recording or filing of a notice of state tax lien under Section 7171 of the Government Code, the Franchise Tax Board may bring an action in the courts of this state, of any other state, or of the United States in the name of the people of the State of California to recover the amount of any taxes, penalties, and interest due and unpaid under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part.

(b) The amendments made by Sections 41 and 108 of Chapter 117 of the Statutes of 1991 shall apply to any of the following:

(1) Taxes assessed under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part after July 16, 1991.

(2) Taxes assessed on or before July 16, 1991, under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, if the period specified in subdivision (a), determined without regard to those amendments, has not expired on

July 16, 1991.

19372. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action. The action shall be tried in the County of Sacramento unless the court with the consent of the prosecutor orders a change of place of trial.

19373. In the action a writ of attachment may be issued in the manner provided by Chapter 5 (commencing with Section 485.010) of Title 6.5 of Part 2 of the Code of Civil Procedure without the showing required by Section 485.010 of the Code of Civil Procedure.

19374. In the action a certificate by the Franchise Tax Board showing the delinquency shall be prima facie evidence of the levy of the tax, penalties and interest of the delinquency, and of the compliance by the Franchise Tax Board and the board with all the provisions of Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), and this part in relation to the computation and levy of the tax.

19375. The Franchise Tax Board may bring an appropriate action, whether in the form of a common law action of debt or indebitatus assumpsit or a code or other action, in any court of competent jurisdiction in the United States or in a foreign country, in the name of the people of the State of California, to recover the amount of any tax, penalties, and interest due. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action.

19376. (a) For the purpose of collecting taxes, interest, additions to tax, and penalties, the Franchise Tax Board may enter into agreement with one or more private persons, companies, associations, or corporations providing debt collection services outside this state with respect to the collection of taxes, interest, additions to tax, and penalties. That agreement may provide, at the discretion of the Franchise Tax Board, the rate of payment and the manner in which compensation for services shall be paid. The compensation may be added to the amount of the tax, interest, additions to tax, and penalties, and collected as a part thereof, by the contractor from the tax debtor. The Franchise Tax Board shall provide the necessary information for the contractor to fulfill its obligation under this agreement.

(b) At the discretion of the Franchise Tax Board, the contractor may, as part of the collection process, refer the tax debt for litigation by its legal representatives in the name of the Franchise Tax Board.

19377. (a) The Franchise Tax Board may enter into agreement with one or more persons for the purpose of collecting delinquent accounts with respect to amounts assessed or imposed under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, provided the agreements do not cause the net displacement of civil service employees. The agreement may provide for the rate and manner of payment for the contracted collection services. However, the consideration payable by the Franchise Tax Board under the agreement shall not be included in the amounts to be collected from the tax debtor by the contractor

providing collection services.

(b) For purposes of this section, "displacement" includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring a change of residence, and time base reductions. "Displacement" does not include changes in shifts or days off, nor does it include reassignment to any other position within the same class and general location.

19378. (a) The Franchise Tax Board shall determine the total amount collected under Section 19377, and shall notify the Controller of the amount to be transferred to the Delinquent Tax Collection Fund. In addition, the Franchise Tax Board shall determine the amount of each of the following:

(1) The costs of implementing and administering Section 19377.

(2) The contracting costs incurred under Section 19377.

The Franchise Tax Board shall notify the Controller of these amounts.

(b) The Controller shall transfer these amounts from the Delinquent Tax Collection Fund to the Franchise Tax Board for reimbursement of its implementation and administrative costs and for the contracting costs. The moneys remaining in the Delinquent Tax Collection Fund after disbursements shall be transferred to the Personal Income Tax Fund or the Bank and Corporation Tax Fund, as appropriate, by the Controller upon notification by the Franchise Tax Board. Notwithstanding Section 13340 of the Government Code, the moneys transferred pursuant to this section are hereby continuously appropriated, without regard to fiscal years.

(c) The funds generated through this section shall not be used in place of funds from other sources which are available for appropriation to the Franchise Tax Board.

(d) This section shall remain in effect only until July 1, 1993, and as of that date is repealed.

19378. (a) The Franchise Tax Board shall determine the amount of the contracting costs incurred under Section 19377 and notify the Controller of that amount which shall be transferred from the Personal Income Tax Fund or the Bank and Corporation Tax Fund to the Delinquent Tax Collection Fund, which is hereby created.

(b) The Controller shall transfer that amount determined pursuant to subdivision (a) from the Delinquent Tax Collection Fund to the Franchise Tax Board for reimbursement of its contracting costs. The moneys remaining in the Delinquent Tax Collection Fund after disbursements shall be transferred to the Personal Income Tax Fund or the Bank and Corporation Tax Fund by the Controller upon notification by the Franchise Tax Board. Notwithstanding Section 13340 of the Government Code, the moneys transferred pursuant to this section are hereby continuously appropriated, without regard to fiscal years.

(c) The funds generated through this section shall not be used in place of funds from other sources that are available for appropriation to the Franchise Tax Board.

(d) This section shall become operative on July 1, 1993.

Article 3. Suit for Refund

19381. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against this state or against any officer of this state to prevent or enjoin the assessment or collection of any tax under this part; provided, however, that any individual after protesting a notice or notices of deficiency assessment issued because of his or her alleged residence in this state and after appealing from the action of the Franchise Tax Board to the State Board of Equalization, may within 60 days after the action of the State Board of Equalization becomes final commence an action, on the grounds set forth in his or her protest, in the Superior Court of the County of Sacramento, in the County of Los Angeles or in the City and County of San Francisco against the Franchise Tax Board to determine the fact of his or her residence in this state during the year or years set forth in the notice or notices of deficiency assessment. No tax based solely upon the residence of such an individual shall be collected from that individual until 60 days after the action of the State Board of Equalization becomes final and, if he or she commences an action pursuant to this section, during the pendency of the action, other than by way of or under the jeopardy assessment provisions of this part.

19382. Except as provided in Section 19385, after payment of the tax and denial by the Franchise Tax Board of a claim for refund, any taxpayer claiming that the tax computed and assessed is void in whole or in part may bring an action, upon the grounds set forth in that claim for refund, against the Franchise Tax Board for the recovery of the whole or any part of the amount paid.

19383. The credit of an overpayment of any tax in satisfaction of any tax liability shall, for the purpose of any suit for refund of the tax liability so satisfied, be deemed to be a payment in respect of the tax liability at the time the credit is allowed.

19384. The action provided by Section 19382 shall be filed within four years from the last date prescribed for filing the return or within one year from the date the tax was paid, or within 90 days after (a) notice of action by the Franchise Tax Board upon any claim for refund, or (b) final notice of action by the State Board of Equalization on an appeal from the action of the Franchise Tax Board on a claim for refund, whichever period expires the later.

19385. If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim was filed, the taxpayer may, prior to mailing of notice of action on the refund claim, consider the claim disallowed and bring an action against the Franchise Tax Board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment. For substitution of the 120-day period for the six-month period contained in this section in a Title 11 case, see

Section 505(a)(2) of Title 11 of the United States Code.

19387. Whenever an action is commenced against the Franchise Tax Board under 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 the summons shall be furnished to the Franchise Tax Board, but this requirement is not jurisdictional.

19388. 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.

19389. The Attorney General or the counsel for the Franchise Tax Board of California shall defend the action.

19390. Failure to begin an action within the time specified in this article shall be a bar against the recovery of taxes.

19391. In any judgment of any court rendered for any overpayment, interest shall be allowed at the adjusted annual rate established pursuant to Section 19521 upon the amount of the overpayment, from the date of the payment or collection thereof to the date of allowance of credit on account of the judgment or to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the Franchise Tax Board.

19392. If judgment is rendered against the Franchise Tax Board, the amount thereof shall first be credited against any taxes and interest due from the taxpayer and the remainder refunded to the taxpayer or his or her trust or estate, or in the case of a bank or corporation, its successor through reorganization, merger, or consolidation, or its stockholders upon dissolution, by the Treasurer on warrants drawn by the Controller.

Article 4. Recovery of Erroneous Refunds

19411. The Franchise Tax Board may recover any refund or credit or any portion thereof which is erroneously made or allowed, together with interest at the adjusted annual rate established pursuant to Section 19521 from the date demand for recovery was made, in an action brought in a court of competent jurisdiction in the County of Sacramento in the name of the people of the State of California within whichever of the following period expires the later:

(a) Two years after the refund or credit was made.

(b) During the period within which the Franchise Tax Board may mail a notice of proposed additional assessment.

(c) In the case of a bank or corporation, interest shall be computed from the date the refund was made or the credit allowed, instead of the date a demand for recovery was made.

19412. The action shall be tried in the County of Sacramento unless the court with the consent of the prosecutor orders a change of place of trial.

19413. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action, and the provisions of the Code of

Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

Article 5. Cancellations

19431. If a tax has been illegally levied against a taxpayer, the Franchise Tax Board shall set forth on its records the reasons therefor and thereafter shall authorize the cancellation of the tax.

Article 6. Closing Agreements

19441. (a) The Franchise Tax Board or any person authorized in writing by the Franchise Tax Board is authorized to enter into an agreement in writing with any person (or of the person or estate for whom that person acts) in respect of any tax, interest, penalty, or addition to tax levied under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part for any taxable period.

(b) If the agreement is approved by the State Board of Control, within the time as may be stated in the agreement, or later agreed to, the agreement shall be final and conclusive, and except upon a showing of fraud or malfeasance, or misrepresentation of a material fact:

(1) The case shall not be reopened as to the matters agreed upon or the agreement modified, by any officer, employee, or agent of the state, and

(2) In any suit, action, or proceeding, the agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded.

19442. (a) (1) Subject to paragraph (2), the executive officer or chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter disputes.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the Franchise Tax Board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars

($500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure, that if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19542) of Chapter 7.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1992, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1993, and are first submitted to the Franchise Tax Board no later than September 15, 1993.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

CHAPTER 7. ADMINISTRATION OF TAX

Article 1. Powers and Duties of Franchise Tax Board

19501. The Franchise Tax Board shall administer and enforce Part 10 (commencing with Section 17001), Part 10.7 (commencing with Section 21001), Part 11 (commencing with Section 23001), and this part. For this purpose, it may divide the state into a reasonable number of districts, in each of which a branch office or offices may be maintained during all or part of the time as may be necessary.

19502. In the establishment of the districts and offices, the Franchise Tax Board shall give due consideration to the matter of economy of administration and service to the taxpayers.

19503. The Franchise Tax Board shall prescribe all rules and regulations necessary for the enforcement of Part 10 (commencing with Section 17001), Part 10.7 (commencing with Section 21001), Part 11 (commencing with Section 23001), and this part and may prescribe the extent to which any ruling or regulation shall be applied without retroactive effect.

19504. (a) The Franchise Tax Board, for the purpose of administering its duties under this part, including ascertaining the correctness of any return; making a return where none has been made; determining or collecting the liability of any person in respect of any liability imposed by Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part (or the liability at law or in equity of any transferee in respect of that liability); shall have the power to require by demand, that an entity of any kind including, but not limited to, employers, persons, or financial institutions provide information or make available for examination or copying at a specified time and place, or both, any book, papers, or other data which may be relevant to that purpose. Any demand to a financial institution shall comply with the California Right to Financial Privacy Act set forth in Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code. Information which may be required upon demand includes, but is not limited to, any of the following:

(1) Addresses and telephone numbers of persons designated by the Franchise Tax Board.

(2) Information contained on Federal Form W-2 (Wage and Tax Statement), Federal Form W-4 (Employee's Withholding Allowance Certificate), or State Form DE-4 (Employee's Withholding

Allowance Certificate).

(b) The Franchise Tax Board may require the attendance of the taxpayer or of any other person having knowledge in the premises and may take testimony and require material proof for its information and administer oaths to carry out this part.

(c) The Franchise Tax Board may issue subpoenas or subpoenas duces tecum, which subpoenas must be signed by any member of the Franchise Tax Board and may be served on any person for any purpose.

(d) Obedience to subpoenas or subpoenas duces tecum issued in accordance with this section may be enforced by application to the superior court as set forth in Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code.

19505. The Franchise Tax Board may appoint and remove, in the manner provided by law, those officers, agents, branch office income tax deputies, and other employees as it deems necessary. They shall have the duties and powers as the Franchise Tax Board from time to time prescribes.

19506. The Franchise Tax Board may appoint one or more deputies or assistants to conduct hearings, prescribe regulations, or perform any other duty imposed by this part or other laws of the state upon the Franchise Tax Board.

19507. Any temporary appointments of branch office income tax deputies and other branch office employees shall be made from eligible residents of the district in which the branch office is located.

19508. The salaries of the personnel required by the Franchise Tax Board shall be such as it may prescribe, in the manner provided by law, and the Franchise Tax Board and its personnel shall be allowed reasonable and necessary traveling and other expenses incurred in the performance of their duties.

19509. The Franchise Tax Board may require officers, agents, deputies, and other employees designated by it to give bond for the faithful performance of their duties in the sum and with the sureties as it may determine. It shall pay all premiums on the bonds out of moneys appropriated for the administration of this part.

19511. The Franchise Tax Board and officers and employees designated by it may administer an oath to any person or take the acknowledgment of any person in respect of any return or report required by this part or the rules and regulations of the Franchise Tax Board.

19512. Any person acting in a fiduciary capacity shall assume the duties and, upon giving notice to the Franchise Tax Board, shall assume the rights and privileges of the taxpayers in respect of any tax, additions to tax, penalties, and interest imposed by Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part except as otherwise specifically provided, until he or she gives notice that his or her fiduciary has terminated. He or she shall give notice under this section pursuant to rules and

regulations prescribed by the Franchise Tax Board.

19513. (a) If assets of an estate are distributable to one or more nonresident beneficiaries, the final account of the fiduciary shall not be allowed by the probate court unless the fiduciary obtains from the Franchise Tax Board and files with the court a certificate to the effect that all taxes, additions to tax, penalties, and interest imposed by Part 10 (commencing with Section 17001) or this part upon the estate or decedent which have become payable have been paid, and that all taxes, additions to tax, penalties, and interest which may become due are secured by bond, deposit or otherwise.

(b) This section only applies if the value of the assets of the estate at the death of the decedent and the value of the assets distributable to one or more nonresidents exceed amounts prescribed by regulations promulgated by the Franchise Tax Board.

19514. Within 30 days after receiving a request for a certificate, the Franchise Tax Board shall either issue the certificate or notify the person requesting the certificate of the amount that shall be paid or the amount of bond, deposit, or other security that shall be furnished as a condition of issuance of the certificate.

19515. The certificate of the Franchise Tax Board does not relieve the estate for which the fiduciary acts of liability for any amounts which are due and unpaid at the time the certificate is issued or which may become due from the decedent or estate after the issuance of the certificate. It also does not relieve the fiduciary of the liability imposed by Section 19516.

19516. Every fiduciary who pays in whole or in part any claim, other than claims for taxes, expenses of administration, funeral expenses, expenses of last illness, family allowance, or wage claims as defined in Section 11402 of the Probate Code, against the person, estate, or trust for whom or for which the fiduciary acts, or who makes any distribution of the assets of the person, estate, or trust, before satisfaction and payment of taxes, interest, and penalties, except penalties due from a decedent, which are imposed by Part 10 (commencing with Section 17001) or this part on the person, estate, or trust for whom or for which the fiduciary acts, or which constitute a claim against the person, estate, or trust, or which are a lien or charge on or against the assets of the person, estate, or trust, is personally liable to the state for the taxes, interest, and penalties to the extent of the payments and distributions.

19517. (a) In the case of income received or accrued during the lifetime of a decedent, or by his or her estate during the period of administration, or by a trust, the Franchise Tax Board shall mail notices proposing to assess the tax, and shall commence any proceeding in court without assessment for the collection of the tax, within 18 months after written request therefor (filed after the return is made) by the fiduciary of the estate or trust or by any other person liable for the tax or any portion thereof.

(b) After filing a request pursuant to subdivision (a), a fiduciary may consent in writing to waive the limitation prescribed by

subdivision (a).

19518. (a) The trustee of a trust described in Section 401(a) of the Internal Revenue Code which is exempt from tax under Section 17631 to which contributions have been paid under a plan on behalf of any owner-employee (as defined in Section 401(c)(3) of the Internal Revenue Code), and each insurance company or other person which is the issuer of a contract purchased by such a trust, or purchased under a plan described in Section 403(a) of the Internal Revenue Code, contributions for which have been paid on behalf of any owner-employee, shall file the returns (in the form and at the times), keep the records, make the identification of contracts and funds (and accounts within the funds), and supply the information, as the Franchise Tax Board shall by forms or regulations prescribe.

(b) Every individual on whose behalf contributions have been paid as an owner-employee (as defined in Section 401(c)(3) of the Internal Revenue Code) —

(1) To a trust described in Section 401(a) of the Internal Revenue Code which is exempt from tax under Section 17631, or

(2) To an insurance company or other person under a plan described in Section 403(a) of the Internal Revenue Code,

shall furnish the trustee, insurance company, or other person, as the case may be, the information at the times and in the form and manner as the Franchise Tax Board shall prescribe by forms or regulations.

19519. The Franchise Tax Board shall transmit to the Director of Employment Development claims for credit or refund allowed pursuant to Section 17061 of this code and subdivision (a) of Section 1176.5 of the Unemployment Insurance Code.

19521. (a) The rate established under this section (referred to in other code sections as "the adjusted annual rate") shall be determined in accordance with Section 6621 of the Internal Revenue Code, except that:

(1) The overpayment rate specified in Section 6621(a)(1) of the Internal Revenue Code shall be modified to be equal to the underpayment rate determined under Section 6621(a)(2) of the Internal Revenue Code; and

(2) The determination specified in Section 6621(b) of the Internal Revenue Code shall be modified to be determined semiannually as follows:

(A) The rate for January shall apply during the following July through December, and

(B) The rate for July shall apply during the following January through June.

(b) (1) For purposes of this part, Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), and any other provision of law referencing this method of computation, in computing the amount of any interest required to be paid by the state or by the taxpayer, or any other amount determined by reference to that amount of interest, that interest and that amount

shall be compounded daily.

(2) Paragraph (1) shall not apply for purposes of computing the amount of any addition to tax under Section 19136 or 19142.

(c) Section 6621(c) of the Internal Revenue Code, relating to increase in underpayment rate for large corporate underpayments, is modified as follows:

(1) The applicable date shall be the 30th day after the earlier of either of the following:

(A) The date on which the proposed deficiency assessment is issued.

(B) The date on which the notice and demand is sent.

(2) This subdivision shall apply for purposes of determining interest for periods after December 31, 1991.

19522. (a) (1) (A) On or before the 10th of January each year, the Franchise Tax Board shall submit to the Legislature a report on all changes to the Internal Revenue Code enacted into law in the prior year. To the extent possible, the report shall contain an estimate of the revenue effect of conforming California law to each of those changes.

(B) In the event that changes to the Internal Revenue Code are enacted after September 15 of any year, the report described in subparagraph (A) shall be submitted to the Legislature within 120 days after signature by the President of the United States, rather than the 10th of January.

(2) The report required by this section shall be made available to the public.

(3) It is the intent of the Legislature that the policy committee of each house of the Legislature hold at least one public hearing on the report required by this section.

(b) For any introduced bill which proposes changes in any of the dates in Section 17024.5, the Franchise Tax Board shall prepare a complete analysis of the bill which describes all changes to state law which will automatically occur by reference to federal law as of the changed date. The Franchise Tax Board shall immediately update and supplement that analysis upon any amendment to the bill. That analysis shall be made available to the public and shall be submitted to the Legislature for publication in the daily journal of each house of the Legislature. The digest of the Legislative Counsel shall indicate that an analysis of the bill shall be prepared by the Franchise Tax Board and printed in the daily journal of each house of the Legislature.

19523. If the Secretary of the Treasury has, under the authority of Section 330(c) of Title 31 of the United States Code:

(a) Assessed a penalty under Section 6701(a) of the Internal Revenue Code, and

(b) Provided that appraisals by an appraiser shall not have any probative effect in any administrative proceeding before the Department of the Treasury or the Internal Revenue Service, and

(c) Barred that appraiser from presenting evidence or testimony

in that proceeding, then appraisals by that person shall be presumed to have no probative effect in any administrative proceeding before the State Board of Equalization or the Franchise Tax Board.

19524. (a) The Franchise Tax Board shall prescribe regulations providing standards for determining which returns shall be filed on magnetic media or in other machine-readable form. The Franchise Tax Board shall not require returns of any tax imposed by Part 10 (commencing with Section 17001) on individuals, estates, and trusts to be other than on paper forms supplied by the Franchise Tax Board. In prescribing those regulations, the Franchise Tax Board shall take into account, among other relevant factors, the ability of the taxpayer to comply at a reasonable cost with that filing requirement.

(b) Subdivision (a) is applicable only to taxpayers required to file returns on magnetic media or in other machine-readable form pursuant to Section 6011(e) of the Internal Revenue Code and the regulations adopted thereto. In addition, the regulations under subdivision (a) shall not require that returns filed on magnetic media or in other machine-readable form contain more information than is required to be included in similar returns filed with the Internal Revenue Service under Section 6011(e) of the United States Internal Revenue Code and the regulations adopted thereto.

(c) In lieu of the magnetic media or other machine-readable form returns required by this section, a copy of the similar magnetic media or other machine-readable form returns filed with the Internal Revenue Service pursuant to Section 6011(e) of the Internal Revenue Code, and the regulations adopted thereto, may be filed with the Franchise Tax Board.

19525. The Franchise Tax Board, under regulations prescribed by the Franchise Tax Board, may establish a reward program for information resulting in the identification of underreported or unreported income subject to taxes imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001). Any reward may not exceed 10 percent of the taxes collected as a result of the information provided. Any person employed by or under contract with any state or federal tax collection agency shall not be eligible for a reward provided for pursuant to this section.

19526. The Franchise Tax Board shall develop and maintain a taxpayer cross-reference file which shall be used as a part of a nonwage earner filing enforcement program. The taxpayer cross-reference file may include information from taxpayer identification information available from tax returns, application forms, other documents, and any other files as already exist and are maintained by the state's major revenue agencies. The taxpayer cross-reference file shall only be used for the purposes of tax law enforcement and administration.

19528. (a) Notwithstanding any other provision of law, the Franchise Tax Board may require any board, as defined in Section 22

of the Business and Professions Code, and the State Bar, the Department of Real Estate, and the Insurance Commissioner (hereinafter referred to as licensing board) to provide to the Franchise Tax Board the following information with respect to every licensee:

(1) Name.

(2) Address or addresses of record.

(3) Federal employer identification number (if the entity is a partnership) or social security number (for all others).

(4) Type of license.

(5) Effective date of license or renewal.

(6) Expiration date of license.

(7) Whether license is active or inactive, if known.

(8) Whether license is new or renewal.

(b) The Franchise Tax Board may do the following:

(1) Send a notice to any licensee failing to provide the identification number or social security number as required by subdivision (a) of Section 30 of the Business and Professions Code and subdivision (a) of Section 1666.5 of the Insurance Code, describing the information that was missing, the penalty associated with not providing it, and that failure to provide the information within 30 days will result in the assessment of the penalty.

(2) After 30 days following the issuance of the notice described in paragraph (1), assess a one hundred dollar ($100) penalty, due and payable upon notice and demand, for any licensee failing to provide either its federal employer identification number (if the licensee is a partnership) or his or her social security number (for all others) as required in Section 30 of the Business and Professions Code and Section 1666.5 of the Insurance Code.

(c) Notwithstanding Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, the information furnished to the Franchise Tax Board pursuant to Section 30 of the Business and Professions Code or Section 1666.5 of the Insurance Code shall not be deemed to be a public record and shall not be open to the public for inspection.

19530. The Franchise Tax Board shall preserve reports and tax returns for three years from the due dates thereof and thereafter until it orders them to be destroyed. Information returns and other documents filed pursuant to Article 4 (commencing with Section 18631) or Article 5 (commencing with Section 18661) of Chapter 2 shall be preserved until the Franchise Tax Board orders them to be destroyed.

19531. (a) The Franchise Tax Board may charge fees for its "Tax News" publication and its "California Package X." The fees shall include preparation and production costs and other related costs, including, but not limited to handling of requests, printing, and postage.

(b) This section shall not apply to documents distributed to public distribution sites.

(c) Fees received under this section shall be handled in accordance with Section 19605.

Article 2. Disclosure of Information

19542. Except as otherwise provided in this article, it is a misdemeanor for the Franchise Tax Board or any member thereof, or any deputy, agent, clerk, or other officer or employee of the state (including its political subdivisions), or any former officer or employee or other individual, who in the course of his or her employment or duty has or had access to returns, reports, or documents required to be filed under this part, to disclose or make known in any manner information as to the amount of income or any particulars (including the business affairs of a bank or corporation) set forth or disclosed therein.

19543. (a) "Business affairs," as used in this article means the details relative to the business activities of the entity as disclosed by the return but shall exclude extraneous matters, such as the exact corporate title, corporate number, the date of commencement of business in this state, taxable year adopted, filing date of return, name, date and title of individuals signing affidavit to the return, due date of taxes, taxes unpaid, entity's address, private address of officers and directors.

(b) Extraneous matters shall not be disclosed unless the request for the information states the names of the entities as to which information is desired and only if there is no reason to believe that the information will be used for commercial list purposes.

19544. Nothing in Section 19542, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining those standards, if the Franchise Tax Board determines that the disclosure will seriously impair assessment, collection, or enforcement under this part.

19545. A return or return information may be disclosed in a judicial or administrative proceeding pertaining to tax administration, if any of the following apply:

(a) The taxpayer is a party to the proceeding, or the proceeding arose out of, or in connection with, determining the taxpayer's civil or criminal liability, or the collection of the taxpayer's civil liability with respect to any tax imposed under this part.

(b) The treatment of an item reflected on the return is directly related to the resolution of an issue in the proceeding.

(c) The return or return information directly relates to a transactional relationship between a person who is a party to the proceeding and the taxpayer which directly affects the resolution of an issue in the proceeding.

19546. Upon request of a committee appointed by either the Assembly or the Senate, or both, any information may be furnished to the committee, but it is a misdemeanor for the committee or any

member, clerk, or other officer or employee thereof to disclose in any manner any particulars of the information so furnished except to law enforcement officers for the purpose of aiding the detection or prosecution of crimes committed in violation of this part.

19547. In a matter involving tax administration under this part, a return or return information shall be open to inspection by the Attorney General or other legal representatives of the state, if any of the following apply:

(a) The taxpayer is or may be a party to the proceeding, or the proceeding arose out of, or in connection with, determining the taxpayer's civil or criminal liability, or the collection of the taxpayer's civil liability with respect to any tax imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

(b) The treatment of an item reflected on the return is or may be related to the resolution of an issue in the proceeding or investigation.

(c) The return or return information relates or may relate to a transactional relationship between a person who is a party to the proceeding and the taxpayer, which affects or may affect, the resolution of an issue in the proceeding or investigation.

In addition, the Attorney General may inspect any report or return required under this part when required in the enforcement of any public or charitable trust or in compelling adherence to any charitable purposes for which any nonprofit corporation is formed.

19548. (a) The Franchise Tax Board, upon request by the California Parent Locator Service, may disclose to the California Parent Locator Service, pursuant to Sections 11478 and 11478.5 of the Welfare and Institutions Code, any taxpayer return information that may be of assistance in locating alleged abducting or absent parents, spouses, or former spouses, in enforcing their liability for child support or the liability for spousal support, in establishing a parent and child relationship, and in locating and returning abducted children to their parents.

(b) Information disclosed to the California Parent Locator Service pursuant to subdivision (a) shall be disseminated by the California Parent Locator Service only as provided for by, and only for the purposes specified in, Sections 11478 and 11478.5 of the Welfare and Institutions Code.

19549. For purposes of this article:

(a) "Return" means any tax or information return, or claim for refund required by, or provided for or permitted under, the provisions of Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part which is filed with the Franchise Tax Board by, on behalf of, or with respect to any person, estate, or trust, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return so filed.

(b) "Return information" means a taxpayer's identity, the nature,

source, or amount of his, her, or its income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Franchise Tax Board with respect to a return or with respect to the determination of the existence, or possible existence, of liability, or the amount thereof, of any person under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part for any tax, addition to tax, penalty, interest, fine, forfeiture, or other imposition, or offense.

(c) "Taxpayer return information" means return information as defined in subdivision (b) which is filed with, or furnished to, the Franchise Tax Board by or on behalf of the taxpayer to whom the return information relates.

(d) "Tax administration" means the administration, management, conduct, direction, and supervision of the execution and application of Part 10 (commencing with Section 17001), Part 10.7 (commencing with Section 21001), Part 11 (commencing with Section 23001), and this part.

19551. (a) The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, or other tax officials of this state, or the Multistate Tax Commission, or the proper officer of any state imposing an income tax or a tax measured by income, or the authorized representative of any officer, to inspect the income tax returns of any taxpayer or partnership, or may furnish to the commission, or the officer or the authorized representative thereof an abstract of the return or supply thereto information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return. That information shall be furnished to the Multistate Tax Commission, the federal or state officer or his or her representative for tax purposes only. Except when furnished pursuant to a written agreement, information furnished pursuant to this section shall be furnished only if the request is in the form of an affidavit under penalty of perjury stating that the purpose for the request relates to an investigation of the tax specified in the request and that the information will be used in the ordinary performance of the applicant's official duties.

(b) Notwithstanding subdivision (a), tax officials of political subdivisions of this state shall request information from the Franchise Tax Board by affidavit only. At the time a tax official makes the request, he or she shall provide the affected person with a copy of the affidavit and, upon request, make the information obtained available to that person.

19552. Except as otherwise provided by this article, the information furnished or secured pursuant to either this article or the express provisions of law, shall be used solely for the purpose of administering the tax laws or other laws administered by the person

or agency obtaining it. Any unwarranted disclosure or use of the information by the person or agency, or the employees and officers thereof, is a misdemeanor.

19553. (a) Subject to the limitations of subdivision (b) of this section and federal law, the Franchise Tax Board may permit the Director of Social Services or deputy directors to inspect the income tax returns of applicants for aid, recipients of aid, or responsible relatives, or in lieu of the inspection, the State Franchise Tax Board may provide the director or deputy directors an abstract of the income tax return requested, or supply information concerning any item of income contained in the return or disclosed by the report of any investigation of the income or return of the applicant for aid, recipient of aid or responsible relative.

(b) The right of the director or deputy directors to inspect income tax records or obtain the other information as provided in this section shall be limited to the records for the current year and the year preceding inspection of applicants or recipients of assistance under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, and the responsible relatives of the applicants or recipients. The information obtained pursuant to this section shall be used or disclosed only for the purpose of enabling the Director of Social Services or his or her deputy directors to verify or determine the eligibility or entitlement of an applicant for, or recipient of, public social services or the obligation of a responsible relative.

(c) The counties are authorized to request the information as provided in this section from the Director of Social Services or deputy directors. The director may release the information to the director of a county from which the applicant or recipient receives aid and the information shall be used or disclosed by the director of the county only for the purpose specified in subdivision (b).

(d) The applicant or recipient or responsible relative whose income tax records have been requested of the Franchise Tax Board shall be notified by mail that the request has been made at the time of the request.

19554. (a) Subject to the limitations of this section and federal law, the Franchise Tax Board may provide the Controller with the address or other identification or location information from income tax returns or other records which is necessary for the Controller to locate owners of unclaimed property pursuant to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(b) Neither the Controller nor any officer, employee, or agent, or former officer, employee, or agent of the Controller may disclose or use any information obtained from the Franchise Tax Board pursuant to this section except for the purpose of locating owners of unclaimed property as provided in subdivision (a) of this section.

19555. (a) Notwithstanding any other provision of law, the State Department of Social Services and the State Department of Health Services shall inform the Franchise Tax Board of the names and social

security numbers of applicants for or recipients of public social services programs under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(b) The Franchise Tax Board, upon receipt of this information, may inform the departments of any such applicant or recipient who received unearned income within the most recent available tax year, as reflected on magnetic tape information returns supplied to the Franchise Tax Board by payers, or on the magnetic tape prepared by the Franchise Tax Board which reflects paper information returns supplied to the Franchise Tax Board by payers. In addition, the Franchise Tax Board may provide, from those sources, the departments with the payee's name, social security number, and address; the payer's name and federal employer identification number, including branch code numbers, if applicable, and address; the dollar amount and type of unearned income; and any identifying account numbers.

(c) The Franchise Tax Board shall return all information received from the departments after completing the exchange of information.

(d) This section shall be implemented only to the extent it is funded in the annual Budget Act.

19556. (a) Notwithstanding any other provision of law, each city which maintains a computerized recordkeeping system or has access to a computerized recordkeeping or information system and which assesses a business tax shall annually furnish to the Franchise Tax Board the information specified in subdivision (b) for all businesses subject to the tax in the preceding fiscal year.

(b) The information required shall include all of the following:

(1) Business name.

(2) Business address.

(3) Federal employer identification number (if the business is a partnership or corporation, or owner's name and social security number (for all others).

(4) Type of business activity.

(5) Amount of annual business tax.

(6) Any other information which the Franchise Tax Board may require.

(c) The reports required under this section shall be filed on magnetic media or in other machine-readable form, according to standards prescribed by forms and instructions by the Franchise Tax Board.

(d) Cities shall begin providing to the Franchise Tax Board the information required by this section as soon as economically feasible, but no later than December 31, 1990. The information shall be furnished annually at a time and in the form which the Franchise Tax Board may prescribe by forms and instructions.

(e) (1) Notwithstanding Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, the information furnished pursuant to this section shall not be deemed to be public records and shall not be open to the public for

inspection.

(2) Any deputy, agent, clerk, officer, or employee of any entity described in subdivision (a), or any former officer or employee or other individual who in the course of his or her employment or duty has or had access to the information required to be furnished under this section, shall not disclose or make known in any manner that information, except to the Franchise Tax Board.

(f) It is the intent of the Legislature in enacting this section to utilize the social security account numbers or federal employer identification numbers for the sole purposes of establishing the identification of individuals affected by state tax laws and, to that end, the information furnished pursuant to this section shall be used exclusively for state tax enforcement purposes.

19557. (a) Notwithstanding any other provision of law, the California Student Aid Commission may annually inform the Franchise Tax Board of the names and social security numbers of the following persons who have, as part of the Student Aid Application for California, signed an authorization in a form and manner mutually agreeable to the Franchise Tax Board and the California Student Aid Commission for the release by the Franchise Tax Board of tax information to the California Student Aid Commission:

(1) All applicants for, or recipients of, student financial aid.

(2) Parents of dependent applicants for, or recipients of, student financial aid.

(3) Spouses of applicants for, or recipients of, student financial aid.

(b) The California Student Aid Commission shall submit the names and social security numbers as authorized in subdivision (a) in the form and manner prescribed by the Franchise Tax Board.

(c) Upon receipt of this information, the Franchise Tax Board may provide the California Student Aid Commission, from state tax returns of individuals described in subdivision (a), their California adjusted gross income and the California income adjustments as are necessary to calculate their federal adjusted gross income, or any other information from their state tax return, that can be provided by the Franchise Tax Board through its automated process, that the California Student Aid Commission needs to administer the program for which the authorization was given.

(d) All versions of the Student Aid Application for California shall include the authorization described in subdivision (a). The Franchise Tax Board may from time to time audit these authorizations. All processors of the Student Aid Application for California shall provide the Franchise Tax Board with access to any records necessary for completing these audits. The Franchise Tax Board shall report all audit findings to the California Student Aid Commission.

(e) Any unwarranted disclosure or use of the tax information described in subdivision (c) by the California Student Aid Commission, or its employees and officers thereof, is a misdemeanor as provided in Section 19552.

19558. (a) Subject to the limitations of this section and federal law, the Franchise Tax Board may provide the Public Employees' Retirement System with the names and addresses or other identification or location information from income tax returns or other records required under Part 10 (commencing with Section 17001) or this part, solely for the purposes of disbursing unclaimed benefits pursuant to Chapter 9 (commencing with Section 21200) of Part 3 of Division 5 of Title 2 of the Government Code and distributing member statements on an annual basis.

(b) Neither the Public Employees' Retirement System, nor its agents, nor any of its current or former officers or employees, shall disclose or use any information obtained pursuant to this section except as provided in this section. Any disclosure not authorized by this section is a misdemeanor.

(c) The Franchise Tax Board may from time to time review the use of information provided to the Public Employees' Retirement System pursuant to this section and the Public Employees' Retirement System shall provide the Franchise Tax Board with access for that purpose. The reviews shall be limited to ensuring that the Public Employees' Retirement System uses the information provided by the Franchise Tax Board only in the manner specified in subdivision (a). The Franchise Tax Board shall report all findings to the Public Employees' Retirement System.

19561. (a) Notwithstanding any other section of law, the Franchise Tax Board may charge a fee for providing persons with copies of their tax returns. The fee shall include the costs of handling requests, copying documents, and postage.

(b) Fees received under this section shall be handled in accordance with Section 19605.

19562. Whenever under this part or any act heretofore or hereafter enacted, the Franchise Tax Board is required or permitted to disclose information, to furnish abstracts, or to permit access to its records, to or by any official, department, bureau, or agency of this state (including its political subdivisions), or any other state, or the United States, it may charge the official, department, bureau, or agency for the reasonable cost of its services.

19563. This article does not prohibit the publication of statistics, so classified as to prevent the identification of particular reports or returns and the items thereof, or the publication of the percentage of dividends paid by any bank or corporation which is deductible by the recipient under Part 11 (commencing with Section 23001).

19564. The Franchise Tax Board shall publish on or before December 31, 1978, and each December 31 thereafter, information on the amount of tax paid by individual taxpayers with high total incomes. Total income for this purpose is to be calculated and set forth by adding to adjusted gross income any items of tax preference excluded from, or deducted in arriving at, adjusted gross income, and by subtracting any investment expenses incurred in the production of that income to the extent of the investment income.

These data are to include the number of those individuals with total income over two hundred thousand dollars ($200,000) who owe no state income tax (after credits) and the deductions, exclusions, or credits used by them to avoid tax.

19565. (a) If an organization is exempt from taxation under Section 23701 for any income year, the application filed by the organization with respect to which the Franchise Tax Board made its determination that the organization was entitled to exemption under Section 23701, together with any papers submitted in support of the application, and any letter or other document issued by the Franchise Tax Board, with respect to the application, shall be open to public inspection. Any inspection under this subdivision may be made at the times, and in the manner, as the Franchise Tax Board shall by regulations prescribe. After the application of any organization has been opened to public inspection under this subdivision, the Franchise Tax Board shall, on the request of any person with respect to the organization, furnish a statement indicating the section which it has been determined describes the organization.

(b) Upon request of the organization submitting any supporting papers described in subdivision (a), the Franchise Tax Board shall withhold from public inspection any information contained therein which it determines relates to any trade secret, patent, process, style of work, or apparatus, of the organization, if it determines that public disclosure of the information would adversely affect the organization. The Franchise Tax Board shall withhold from public inspection any information contained in supporting papers described in subdivision (a) the public disclosure of which it determines would adversely affect the national defense.

(c) The Franchise Tax Board may impose a reasonable charge for supplying any information the disclosure of which is permitted under this section.

Article 3. Tax Forms

19581. In enacting the California Personal Income Tax Fairness, Simplification, and Conformity Act of 1987, the Legislature finds and declares that for most taxpayers in most ordinary circumstances, the burden of preparing tax returns could be greatly reduced by the availability of state tax forms which would allow taxpayers to copy numbers from the federal return, make simple adjustments, look up the tax in published tax tables, subtract state tax credits, and either pay the amount due or file for a refund.

19582. For taxable years beginning on or after January 1, 1987, the Franchise Tax Board shall make available to taxpayers tax forms that are as simple as possible for taxpayers to prepare. These forms shall be designed to provide for taxpayers to copy figures from, or attach a copy of, their federal return or portions thereof, or both, and to make any necessary adjustments.

The Franchise Tax Board shall, in preparing tax forms, make every effort to ease taxpayers' compliance burden, including, but not limited to, (a) designing forms so that, to the maximum extent possible, items already entered on the federal return may be copied to the state form, (b) reducing the number of state schedules by attaching copies of comparable federal schedules to the state return, where appropriate, and (c) choosing a weight and quality of paper, color of ink, and general form design which will facilitate the preparation of returns.

19583. The Franchise Tax Board shall, in preparing tax forms, include the following statement adjacent to the signature line of any income tax return required to be filed by a married individual: "It is unlawful to forge a spouse's signature."

CHAPTER 8. DISPOSITION OF PROCEEDS

Article 1. Transfers to General Fund

19601. The Franchise Tax Board shall transmit promptly to the Treasurer all moneys and remittances received by it under this part. It shall at the same time furnish copies of the schedules covering the transmittals to the Controller.

19602. Except for fees collected or accrued under Sections 19531 and 19561, all moneys and remittances received by the Franchise Tax Board as tax imposed under Part 10 (commencing with Section 17001), and related penalties, additions to tax, and interest imposed under this part, and amounts received pursuant to Article 5 (commencing with Section 19271) of Chapter 5, shall be deposited, after clearance of remittances, in the State Treasury and credited to the Personal Income Tax Fund.

19603. The balance of the moneys in the Personal Income Tax Fund shall, upon order of the Controller, be drawn therefrom for the purpose of making refunds under this part or be transferred to the General Fund. All undelivered refund warrants shall be redeposited in the Personal Income Tax Fund upon receipt by the Controller.

19604. (a) Except for fees received for services under Section 23305e through June 30, 1993, all moneys and remittances received by the Franchise Tax Board as tax imposed under Part 11 (commencing with Section 23001), and related penalties, additions to tax, and interest imposed under this part, shall be deposited in a special fund in the State Treasury, to be designated the Bank and Corporation Tax Fund. The moneys in the fund shall, upon the order of the Controller, be drawn therefrom for the purpose of making refunds under this part or be transferred into the General Fund. All undelivered refund warrants shall be redeposited into the Bank and Corporation Tax Fund upon receipt by the Controller. Fees received for services under Section 23305e through June 30, 1993, shall be treated as reimbursement of the Franchise Tax Board's costs and shall be deposited into the General Fund.

(b) Notwithstanding Section 13340 of the Government Code, all moneys in the Bank and Corporation Tax Fund are hereby continuously appropriated, without regard to fiscal year, to the Franchise Tax Board for purposes of making all payments as provided in this section.

19605. All moneys and remittances received by the Franchise Tax Board as fees imposed under Section 19531 or 19561 through June 30, 1993, shall be treated as reimbursement of the Franchise Tax Board's costs and shall be deposited into the General Fund.

Article 2. Tax Relief and Refund Account

19611. (a) The Tax Relief and Refund Account is hereby created in the General Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the Tax Relief and Refund Account are hereby continuously appropriated, without regard to fiscal year, to the Franchise Tax Board for purposes of making all payments as provided in this section.

(b) Notwithstanding any other provision of law, all payments required to be made to taxpayers or other persons from the Personal Income Tax Fund shall be paid from the Tax Relief and Refund Account.

(c) The Controller shall transfer, as needed, to the Tax Relief and Refund Account:

(1) From the unexpended balance of the annual Budget Act appropriation for Item 9100-101-001, Schedule 80-Renter's Tax Relief, an amount determined by the Franchise Tax Board to be equivalent to the total amount of renters' assistance credits and refunds allowed under Section 17053.5.

(A) If there is no unexpended balance of the appropriation, as provided for in paragraph (1), the Controller shall transfer sufficient moneys from the Personal Income Tax Fund to make the renters' assistance credits and refunds until there is an unexpended balance.

(B) Subsequent to there being no unexpended balance of the appropriation, as provided for in paragraph (1), and there being a transfer of moneys from the Personal Income Tax Fund to make the renters' assistance credits and refunds, reimbursement shall be made from the unexpended balance of the appropriation as provided for in paragraph (1) to the Personal Income Tax Fund. However, if no such appropriation is subsequently made, reimbursement shall be made from the General Fund.

(2) From the disability fund, the amount transferable to the General Fund pursuant to subdivision (a) of Section 1176.5 of the Unemployment Insurance Code.

(3) From the Personal Income Tax Fund, such additional amounts as determined by the Franchise Tax Board to be necessary to make the payments required under this section.

CHAPTER 9. VIOLATIONS

19701. Any person who does any of the following is liable for a penalty of not more than five thousand dollars ($5,000):

(a) With or without intent to evade any requirement of Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part or any lawful requirement of the Franchise Tax Board, fails to file any return or to supply any information required, or who, with or without such intent, makes, renders, signs, or verifies any false or fraudulent return or statement, or supplies any false or fraudulent information.

(b) Aids, abets, advises, encourages, or counsels any person to evade the tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) by not filing any return or supplying any information required under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, or, by making, rendering, signing, or verifying any false or fraudulent return or statement, or by supplying false or fraudulent information.

(c) Under this part, is required to pay any estimated tax or tax, who willfully fails to pay that estimated tax or tax, at the time or times required by law or regulations.

The penalty shall be recovered in the name of the people in any court of competent jurisdiction. Counsel for the Franchise Tax Board may, upon request of the district attorney or other prosecuting attorney, assist the prosecuting attorney in presenting the law or facts to recover the penalty at the trial of a criminal proceeding for violation of this section.

That person is also guilty of a misdemeanor and shall upon conviction be fined not to exceed five thousand dollars ($5,000) or be imprisoned not to exceed one year, or both, at the discretion of the court, together with costs of investigation and prosecution.

(d) For purposes of subdivision (a), the president of a bank or corporation, or the chief operating officer, is the person presumed to be responsible for filing any return or supplying information required from that bank or corporation.

19701.5. (a) Any person who signs his or her spouse's name on any income tax return, or any schedules or attachments thereto, without the consent of the spouse as provided in subdivision (b), is guilty of a misdemeanor and shall upon conviction be fined an amount not to exceed five thousand dollars ($5,000) or be imprisoned for a term not to exceed one year, or both, at the discretion of the court, together with costs of investigation and prosecution.

(b) Notwithstanding subdivision (a), any person who signs his or her spouse's name shall not be guilty of a misdemeanor when one spouse is physically unable by reason of disease or injury to sign a joint return, and the other spouse, with the oral consent of the one who is incapacitated, signs the incapacitated spouse's name in the proper place on the return followed by the words "By _____,

Husband (or Wife)," and by the signature of the signing spouse in his or her own right, provided that a dated statement signed by the spouse who is signing the return is attached to and made a part of the return stating each of the following:

(1) The name of the return being filed.

(2) The taxable year.

(3) The reason for the inability of the spouse who is incapacitated to sign the return.

(4) That the spouse who is incapacitated consented to the signing of the return and that the taxpayer and his or her agent, if any, are responsible for the return as made and incur liability for the penalties provided for erroneous, false, or fraudulent returns.

(c) The penalties provided by this section are cumulative and shall not be construed as restricting any other penalty provided by law based upon the same facts, including any penalty under Section 470 of the Penal Code. However, an act or omission which is made punishable in different ways by this section and different provisions of the Penal Code shall not be punished under more than one provision.

19702. The prosecutor may, with the consent of the Franchise Tax Board, compromise any penalty for which he or she may bring action under this chapter. The penalties provided by this chapter are additional to all other penalties provided in this part.

19703. The certificate of the Franchise Tax Board to the effect that a return has not been filed or that information has not been supplied as required by this part is prima facie evidence that the return has not been filed or that the information has not been supplied.

19704. Any action or prosecution under this chapter shall be instituted within six years after commission of the offense.

19705. (a) Any person who does any of the following shall be guilty of a felony and, upon conviction thereof, shall be fined not more than twenty thousand dollars ($20,000) or imprisoned not more than three years, or both, together with the costs of prosecution:

(1) Willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he or she does not believe to be true and correct as to every material matter.

(2) Willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under, the Personal Income Tax Law or the Bank and Corporation Tax Law, of a return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not that falsity or fraud is with the knowledge or consent of the person authorized or required to present that return, affidavit, claim, or document.

(3) Simulates or falsely or fraudulently executes or signs any bond, permit, entry, or other document required by the provisions of the Personal Income Tax Law or the Bank and Corporation Tax Law, or

by any regulation made in pursuance thereof, or procures the same to be falsely or fraudulently executed or advises, aids in, or connives at that execution thereof.

(4) Removes, deposits, or conceals, or is concerned in removing, depositing, or concealing, any goods or commodities for or in respect whereof any tax is or shall be imposed, or any property upon which levy is authorized by Chapter 5 (commencing with Section 19201) of this part; or Chapter 5 (commencing with Section 706.010) of Division 2 of, and Chapter 8 (commencing with Section 688.010) of Division 1 of, Title 9 of the Code of Civil Procedure, with intent to evade or defeat the assessment or collection of any tax, additions to tax, penalty, or interest imposed by Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part.

(5) In connection with any settlement under Section 19442, or offer of that settlement, or in connection with any closing agreement under Section 19441 or offer to enter into any such agreement, willfully does any of the following:

(A) Conceals from any officer or employee of this state any property belonging to the estate of a taxpayer or other person liable in respect of the tax.

(B) Receives, withholds, destroys, mutilates, or falsifies any book, document, or record, or makes any false statement, relating to the estate or financial condition of the taxpayer or other person liable in respect of the tax.

(b) In the case of a bank or corporation, the twenty thousand dollars ($20,000) limitation specified in subdivision (a) shall be increased to one hundred thousand dollars ($100,000).

(c) The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him or her.

(d) For purposes of this section "person" means the taxpayer, any member of the taxpayer's family, any corporation, agent, fiduciary, or representative of, or any other individual or entity acting on behalf of, the taxpayer, or any other corporation or entity owned or controlled by the taxpayer, directly or indirectly, or which owns or controls the taxpayer, directly or indirectly.

19706. Any person or any officer or employee of any bank or corporation who, within the time required by or under the provisions of this part, willfully fails to file any return or to supply any information with intent to evade any tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001), or who, willfully and with like intent, makes, renders, signs, or verifies any false or fraudulent return or statement or supplies any false or fraudulent information, is punishable by imprisonment in the county jail not to exceed one year, or in the state prison, or by fine of not more than twenty thousand dollars ($20,000), or by both the fine and imprisonment, at the discretion of the court.

19707. The place of trial for the offenses enumerated in this chapter of this code shall be in the county of residence or principal place of business of the defendant or defendants; provided, that if the defendant has no residence or principal place of business in this state, the trial shall be held in the County of Sacramento.

19708. Any person required under this part to collect, account for, and pay over any tax or amount required to be withheld who willfully fails to collect or truthfully account for and pay over the tax or amount shall, in addition to other penalties provided by law, be guilty of a felony, and, upon conviction thereof, shall be fined not more than two thousand dollars ($2,000) or imprisoned in the state prison, or both.

19709. Any person who, with or without intent to evade, fails to withhold, pursuant to Section 18662 or 18666, or pay over any tax withheld, is guilty of a misdemeanor, and, upon conviction be fined an amount not to exceed one thousand dollars ($1,000) or imprisoned for not more than one year, or both, at the discretion of the court.

19710. If a taxpayer fails to file a return within 60 days after the Franchise Tax Board issues a notice and demand for the return, the Franchise Tax Board may petition the court for a writ of mandate to require the taxpayer to file a return. The judgment shall include costs in favor of the prevailing party.

19711. Any individual required to supply information to his or her employer under Section 13040, 13041, or 13042 of the Unemployment Insurance Code, who willfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would require an increase in the tax to be withheld under Section 13020 of the Unemployment Insurance Code, shall, in addition to any other penalty otherwise provided by law, upon conviction thereof, be fined not more than one thousand dollars ($1,000), or imprisoned not more than one year, or both.

19712. Any tax preparer, as defined in subdivision (b) of Section 19169, who endorses or otherwise negotiates (directly or through an agent) any warrant made in respect of the taxes imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) which is issued to a taxpayer (other than the tax preparer) shall, in addition to other penalties provided by law, be guilty of a misdemeanor, and upon conviction thereof, shall be fined not more than one thousand dollars ($1,000) or imprisoned not more than one year, or both, together with the costs of prosecution.

This section shall not apply where the tax preparer has advanced the taxpayer an amount of money equal to or greater than the amount of the taxpayer's tax refund.

19713. (a) Any person or employer who fails to comply with subdivision (b) of Section 19009 shall, in addition to any other penalties provided by law, be guilty of a misdemeanor, and, upon conviction thereof, shall be fined no more than five thousand dollars ($5,000), or imprisoned not more than one year, or both, together with the costs of prosecution.

(b) This section shall not apply:

(1) To any person or employer, if that person or employer shows that there was reasonable doubt as to (A) whether the law required collection of the tax, or (B) who was required by law to collect the tax.

(2) To any person or employer, if that person or employer shows that the failure to comply with the provisions of subdivision (b) of Section 19009 was due to circumstances beyond his or her control.

(c) For purposes of paragraph (2), a lack of funds existing immediately after the payment of wages (whether or not created by the payment of the wages) shall not be considered to be circumstances beyond the control of a person or employer.

19714. Whenever it appears to the State Board of Equalization or any court of record of this state that proceedings before it under this part have been instituted or maintained by the taxpayer primarily for delay or that the taxpayer's position in the proceedings is frivolous or groundless, or that the taxpayer unreasonably failed to pursue available administrative remedies, a penalty in an amount not in excess of five thousand dollars ($5,000) shall be imposed. Any penalty so imposed shall be paid upon notice and demand from the Franchise Tax Board and shall be collected as a tax.

19715. (a) A civil action in the name of the State of California to enjoin any person from further engaging in conduct subject to penalty under Section 19177 (relating to the penalty for promoting abusive tax shelters, etc.) or 19178 (relating to penalty for aiding and abetting understatement of tax liability) may be commenced at the request of the Franchise Tax Board. Any action under this section shall be brought in accordance with Section 19707. The court may exercise its jurisdiction over that action separate and apart from any other action brought by the State of California against that person.

(b) In any action under subdivision (a), the court may enjoin the person from engaging in the conduct or in any other activity subject to penalty under Section 19177 or 19178, if the court finds both of the following:

(1) That the person has engaged in any conduct subject to penalty under Section 19177 (relating to penalty for promoting abusive tax shelters, etc.) or 19178 (relating to penalty for aiding and abetting understatement of tax liability).

(2) That injunctive relief is appropriate to prevent recurrence of that conduct.

19717. (a) In the case of any civil proceeding which is—

(1) Brought by or against the State of California in connection with the determination, collection, or refund of any tax, interest, or penalty under this part, and

(2) Brought in a court of record of this state, the prevailing party may be awarded a judgment for reasonable litigation costs incurred in that proceeding.

(b) (1) A judgment for reasonable litigation costs shall not be awarded under subdivision (a) unless the court determines that the

prevailing party has exhausted the administrative remedies available to that party under this part.

(2) An award under subdivision (a) shall be made only for reasonable litigation costs which are allocable to the State of California and not to any other party to the action or proceeding.

(3) (A) No award for reasonable litigation costs may be made under subdivision (a) with respect to any declaratory judgment proceeding.

(B) Subparagraph (A) shall not apply to any proceeding which involves the revocation of a determination that the organization is described in Section 23701d.

(4) No award for reasonable litigation costs may be made under subdivision (a) with respect to any portion of the civil proceeding during which the prevailing party has unreasonably protracted that proceeding.

(c) For purposes of this section:

(1) "Reasonable litigation costs" includes any of the following:

(A) Reasonable court costs.

(B) Based upon prevailing market rates for the kind or quality of services furnished any of the following:

(i) The reasonable expenses of expert witnesses in connection with the civil proceeding, except that no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the State of California.

(ii) The reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case.

(iii) Reasonable fees paid or incurred for the services of attorneys in connection with the civil proceeding, except that those fees shall not be in excess of seventy-five dollars ($75) per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceeding, justifies a higher rate.

(2) (A) "Prevailing party" means any party to any proceeding described in subdivision (a) (other than the State of California or any creditor of the taxpayer involved) that:

(i) Establishes that the position of the State of California in the civil proceeding was not substantially justified, and

(ii) (I) Has substantially prevailed with respect to the amount in controversy, or

(II) Has substantially prevailed with respect to the most significant issue or set of issues presented.

(B) Any determination under subparagraph (A) as to whether a party is a prevailing party shall be made—

(i) By the court, or

(ii) By agreement of the parties.

(3) The term "civil proceeding" includes a civil action.

(d) For purposes of this section, in the case of—

(1) Multiple actions which could have been joined or

consolidated, or

(2) A case or cases involving a return or returns of the same taxpayer (including joint returns of married individuals) which could have been joined in a single proceeding in the same court, the actions or cases shall be treated as one civil proceeding regardless of whether the joinder or consolidation actually occurs, unless the court in which the action is brought determines, in its discretion, that it would be inappropriate to treat the actions or cases as joined or consolidated for purposes of this section.

(e) An order granting or denying an award for reasonable litigation costs under subdivision (a), in whole or in part, shall be incorporated as a part of the decision or judgment in the case and shall be subject to appeal in the same manner as the decision or judgment.

(f) For purposes of this section, "position of the State of California" includes either of the following:

(1) The position taken by the State of California in the civil proceeding.

(2) Any administrative action or inaction by the Franchise Tax Board (and all subsequent administrative action or inaction) upon which that proceeding is based.

19718. Any employer or agent of an employer who provides a wage statement or similar document to any undocumented worker or former undocumented worker at that person's request for the purpose of documenting that person's eligibility for legalization pursuant to the federal Immigration Reform and Control Act (Public Law 99-603), shall not be liable for any penalty or criminal or civil violation under this part relative to the undocumented worker or former undocumented worker based on any facts disclosed in the wage statement or similar document so provided.

Nothing in this section shall be construed to limit the liability under any provision of law of any person who engages in the procurement or production of false or fraudulent wage statements or similar documents to any person for purposes of legalization under the federal Immigration Reform and Control Act.

This section does not apply to penalties assessed or criminal actions filed prior to May 1, 1987.

This section does not apply where the Employment Development Department, through independent means, discovers that an employer has withheld personal income tax and disability insurance contributions from workers' paychecks and has not remitted those moneys to the department.

The immunity from liability pursuant to this section shall apply only to facts disclosed in the wage statement or similar document provided on or after the effective date of this section and only until the date of the termination of the legalization provisions for agricultural and nonagricultural workers of the federal Immigration Reform and Control Act. However, the immunity from liability pursuant to this section shall continue until the cause of action is

tolled by the applicable statute of limitations.

19719. Any person who attempts or purports to exercise the powers, rights, and privileges of a bank or corporation which has been suspended pursuant to Section 23301 or who transacts or attempts to transact intrastate business in this state on behalf of a foreign bank or corporation, the rights and privileges of which have been forfeited pursuant to the section, is punishable by a fine of not less than two hundred fifty dollars ($250) and not exceeding one thousand dollars ($1,000), or by imprisonment not exceeding one year, or both fine and imprisonment.

CHAPTER 10. RES JUDICATA

19801. In the determination of any issue of law or fact under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, neither the Franchise Tax Board nor any officer or agency having any administrative duties under this part nor any court is bound by the determination of any other officer or administrative agency of the state.

19802. (a) In the determination of any case arising under this part, the rule of res judicata is applicable only if the liability involved is for the same year as was involved in another case previously determined.

(b) Notwithstanding the holding in Pope Estate Company v. Johnson, 43 Cal. App. 2d 170, in any action filed pursuant to Section 19382 (relating to taxpayer suits for refund), in addition to the defenses or relief sought in the action, the Franchise Tax Board shall assert in defense only those unpaid liabilities of the taxpayer for the same year which are evidenced by any of the following:

(1) A final proposed assessment.

(2) A notice of tax due.

(3) A final notice of action.

In addition, any refund claim of a taxpayer for the same year resulting from a federal audit adjustment made subsequent to the filing of the action need not be asserted by the taxpayer in that action.

SEC. 27. Section 21022 of the Revenue and Taxation Code is amended to read:

21022. (a) A taxpayer shall be granted an extension of time for filing a return pursuant to Section 18567 if the taxpayer qualified for a federal extension.

(b) An extension of time granted pursuant to this section or Section 18567 is not an extension of time for payment of tax required to be paid on or before the due date of the return without regard to extension. Underpayment of tax penalties shall be imposed as provided by law without regard to any extension granted under this section or Section 18567.

(c) This section shall apply to returns required to be filed on or after April 15, 1992.

SEC. 28. Section 23036 of the Revenue and Taxation Code is amended to read:

23036. (a) (1) The term "tax" includes any of the following:

(A) The tax imposed under Chapter 2 (commencing with Section 23101).

(B) The tax imposed under Chapter 3 (commencing with Section 23501).

(C) The tax on unrelated business taxable income, imposed under Section 23731.

(D) The tax on S corporations imposed under Section 23802.

(2) The term "tax" does not include any amount imposed under paragraph (1) of subdivision (e) of Section 24667 or paragraph (2) of subdivision (f) of Section 24667.

(b) For purposes of Article 5 (commencing with Section 18661) of Chapter 2, Article 3 (commencing with Section 19031) of Chapter 4, Article 6 (commencing with Section 19101) of Chapter 4, and Chapter 7 (commencing with Section 19501) of Part 10.2, and for purposes of Sections 18601, 19001, and 19005, the term "tax" shall also include all of the following:

(1) The tax on limited partnerships, imposed under Section 23081.

(2) The alternative minimum tax imposed under Chapter 2.5 (commencing with Section 23400).

(3) The tax on built-in gains of S corporations, imposed under Section 23809.

(4) The tax on excess passive investment income of S corporations, imposed under Section 23811.

(c) Notwithstanding any other provision of this part, credits shall be allowed against the "tax" in the following order:

(1) Credits which do not contain carryover provisions.

(2) Credits which, when the credit exceeds the "tax," allow the excess to be carried over to offset the "tax" in succeeding taxable years. The order of credits within this paragraph shall be determined by the Franchise Tax Board.

(3) The minimum tax credit allowed by Section 23453.

(4) Credits for taxes withheld under Section 18662.

(d) Notwithstanding any other provision of this part, each of the following shall be applicable:

(1) No credit shall reduce the "tax" below the tentative minimum tax (as defined by paragraph (1) of subdivision (a) of Section 23455), except the following credits, but only after allowance of the credit allowed by Section 23453—

(A) The credit allowed by former Section 23601 (relating to solar energy).

(B) The credit allowed by former Section 23601.4 (relating to solar energy).

(C) The credit allowed by Section 23601.5 (relating to solar energy).

(D) The credit allowed by Section 23609 (relating to research expenditures).

(E) The credit allowed by Section 23609.5 (relating to clinical testing expenses).

(F) The credit allowed by Section 23610.5 (relating to low-income housing).

(G) Credits for taxes withheld under Section 18662.

(2) No credit against the tax shall reduce the minimum franchise tax imposed under Chapter 2 (commencing with Section 23101).

(e) Any credit which is partially or totally denied under subdivision (d) shall be allowed to be carried over to reduce the "tax" in the following year, and succeeding years if necessary, if the provisions relating to that credit include a provision to allow a carryover of the unused portion of that credit.

(f) Unless otherwise provided, any remaining carryover from a credit which has been repealed or made inoperative shall continue to be allowed to be carried over and applied against the "tax" until the credit has been exhausted.

(g) Unless otherwise provided, if two or more taxpayers share in costs that would be eligible for a tax credit allowed under this part, each taxpayer shall be eligible to receive the tax credit in proportion to its respective share of the costs paid or incurred.

SEC. 29. Section 23058 of the Revenue and Taxation Code is amended to read:

23058. Unless otherwise specifically provided therein, the provisions of any act:

(a) That affect the imposition or computation of taxes, additions to tax other than Sections 19142 to 19151, inclusive, penalties, or the allowance of credits against the tax, shall be applied to income years beginning on or after January 1 of the year in which the act takes effect.

(b) That change the provisions of Sections 19023 to 19027, inclusive, (relating to payment of estimated tax) or Sections 19142 to 19151, inclusive, (relating to underpayment of estimated tax) shall be applied to income years beginning on or after January 1 of the year immediately following the year in which the act takes effect.

(c) That otherwise affect the provisions of this part shall be applied on and after the date the act takes effect.

SEC. 30. Section 23060 of the Revenue and Taxation Code is amended to read:

23060. Provisions in other codes or General Law Statutes which are related to this part include all of the following:

(a) Chapter 20.6 (commencing with Section 9891) of Division 3 of the Business and Professions Code, relating to tax preparers.

Sections 1502, 2204 to 2206, inclusive, 6210, 6810, 8210, and 8810 of the Corporations Code, relating to the corporation officer statement penalty.

(c) Section 2104 of the Corporations Code, that prevents the application of any provision of this part against any foreign lending institution whose activities in this state are limited to those described in Section 191(d) of the Corporations Code.

(d) Sections 15700 to 15702.1, inclusive, of the Government Code, relating to the Franchise Tax Board.

(e) Part 10 (commencing with Section 17001), relating to the Personal Income Tax Law.

(f) Part 10.2 (commencing with Section 18401), relating to the Administration of Franchise and Income Taxes.

(g) Part 10.7 (commencing with Section 21001), relating to the Taxpayers' Bill of Rights.

(h) Part 18 (commencing with Section 38001), relating to the Multistate Tax Compact.

SEC. 31. Section 23081 of the Revenue and Taxation Code is amended to read:

23081. (a) For taxable years beginning on or after January 1, 1988, every limited partnership doing business in this state (as defined by Section 23101) and required to file a return under Section 18633 shall pay annually to this state a tax for the privilege of doing business in this state in an amount equal to the applicable amount specified in Section 23153 for the current taxable year. The tax imposed under this section shall be due and payable on the date the return is required to be filed under Section 18633.

(b) For purposes of this section, "limited partnership" means any partnership formed by two or more persons under the laws of this state or any other jurisdiction and having one or more general partners and one or more limited partners.

SEC. 32. Section 23101.5 of the Revenue and Taxation Code is amended to read:

23101.5. (a) The Franchise Tax Board may determine that a corporation is not doing business in this state for purposes of this chapter or deriving income from sources within this state for purposes of Chapter 3 (beginning with Section 23501) if its only activities within this state are either or both of the following:

(1) The purchase of personal property or services solely for its own use or use by its affiliate outside this state if the corporation does not have more than 100 employees in this state, and their duties are limited to solicitation, negotiation, liaison, monitoring, auditing, and inspecting the property or services acquired, or providing technical advice with respect to its requirements.

(2) The presence of employees in this state only for the purpose of attending a public or private school, college or university.

(b) A corporation may petition the Franchise Tax Board for a determination in accord with procedures established by the Franchise Tax Board. The filing of that petition shall be deemed a waiver of the confidentiality provisions of Section 19542 with respect to the facts alleged in the petition and any additional evidence produced with respect to those facts.

(c) If such determination is made, it shall remain in force for five years as long as the corporation continues to meet the above criteria; provided that, with respect to corporations meeting the above criteria on or before January 1, 1978, the determination shall remain

in force indefinitely so long as the corporation continues to meet the above criteria.

SEC. 32.5. Section 23101.5 of the Revenue and Taxation Code is amended to read:

23101.5. (a) The Franchise Tax Board may determine that a corporation is not doing business in this state for purposes of this chapter or deriving income from sources within this state for purposes of Chapter 3 (commencing with Section 23501) if its only activities within this state consist of either or both of the following:

(1) The purchase of personal property or services solely for its own use or use by its affiliate outside this state if:

(A) The corporation does not have more than 100 employees in this state, whose duties are limited to solicitation, negotiation, liaison, monitoring, auditing, and inspecting the property or services acquired, or providing technical advice with respect to its requirements, and

(B) The corporation does not have more than 200 employees in this state, whose duties are limited to solicitation, negotiation, liaison, monitoring, auditing, and inspecting the property or services acquired, or providing technical advice with respect to its requirements, and the personal property or services purchased by the corporation or its affiliate are used for the construction or modification of a physical plant or facility located outside the state, and

(C) The combined number of employees in this state pursuant to paragraphs (A) and (B) does not exceed 200.

(2) The presence of employees in this state only for the purpose of attending a public or private school, college or university.

(b) A corporation may petition the Franchise Tax Board for a determination in accord with procedures established by the Franchise Tax Board. The filing of that petition shall be deemed a waiver of the confidentiality provisions of Section 19542 with respect to the facts alleged in the petition and any additional evidence produced with respect to those facts.

(c) If the determination is made, it shall remain in force for five years as long as the corporation continues to meet the above criteria. However, with respect to corporations meeting the above criteria on or before January 1, 1978, the determination shall remain in force indefinitely so long as the corporation continues to meet the above criteria.

(d) The corporation shall annually confirm with the Franchise Tax Board within two months and 15 days after the close of its fiscal year, in the manner as the Franchise Tax Board may prescribe, that the facts relevant to the granting of the determination then in effect remain unchanged or shall state and explain any changes that have occurred since the preceding report was filed.

(e) Where a corporation applying for or relying on the determination is engaged in a unitary business, the limitation of 100 or 200 employees, as applicable, that is specified in paragraph (1) of

subdivision (a) shall apply to the aggregation of all corporations within the unitary group.

SEC. 33. Section 23184.5 of the Revenue and Taxation Code is amended to read:

23184.5. Litigation is pending regarding the application of Section 23182 with respect to business license taxes imposed by charter cities on financial corporations. If the final court determination is that charter cities may impose those taxes, then to the extent those taxes were imposed and paid, an offset is properly allowable pursuant to Section 23184 as if Chapter 1150 of the Statutes of 1979 had never been enacted. Pending that determination, the Franchise Tax Board shall issue proposed deficiency assessments disallowing those offsets claimed on returns for income years beginning in 1983 and thereafter. However, final action on the proposed deficiencies shall be deferred pending the final court determination. If the final court determination upholds the imposition of those taxes, then the proposed deficiencies shall be withdrawn. If the final court determination does not uphold the imposition of those taxes, the proposed deficiencies shall become final upon written notice thereof by the Franchise Tax Board and the deficiency assessments shall be due and payable within 30 days of the date of that notice by the Franchise Tax Board. If full payment is made within that 30-day period, interest shall not be imposed for the period after the date of the notice. Interest on those deficiency assessments shall accrue from the due date of the return without regard to any extensions. The period for making the proposed deficiency assessments provided by this section shall either be the period specified in Section 19057 or one year after the final court determination, whichever period is later.

SEC. 34. Section 23225 of the Revenue and Taxation Code is amended to read:

23225. The adjusted tax, as provided in Sections 23222 to 23224.5, inclusive, for any taxable year in excess of the prepayment for that year, shall be due and payable as provided in Article 2 (commencing with Section 18601) of Chapter 2 of Part 10.2.

SEC. 35. Section 23301 of the Revenue and Taxation Code is amended to read:

23301. Except for the purposes of filing an application for exempt status or amending the articles of incorporation as necessary either to perfect that application or to set forth a new name, the corporate powers, rights and privileges of a domestic taxpayer may be suspended, and the exercise of the corporate powers, rights and privileges of a foreign taxpayer in this state may be forfeited, if any of the following conditions occur:

(a) If any tax, penalty, or interest, or any portion thereof, that is due and payable under Chapter 4 (commencing with Section 19001) of Part 10.2, or under this part, either at the time the return is required to be filed or on or before the 15th day of the ninth month following the close of the income year, is not paid on or before 6 p.m.

on the last day of the 12th month after the close of the income year.

(b) If any tax, penalty, or interest, or any portion thereof, due and payable under Chapter 4 (commencing with Section 19001) of Part 10.2, or under this part, upon notice and demand from the Franchise Tax Board, is not paid on or before 6 p.m. on the last day of the 11th month following the due date of the tax.

(c) If any liability, or any portion thereof, which is due and payable under Article 7 (commencing with Section 19131) of Chapter 4 of Part 10.2, is not paid on or before 6 p.m. on the last day of the 11th month following the date that the tax liability is due and payable.

SEC. 36. Section 23305e of the Revenue and Taxation Code is amended to read:

23305e. (a) The Franchise Tax Board may provide letters of good standing, verifying a corporation's status for doing business in California, at a charge reflecting the reasonable costs to the department of responding to these requests.

(b) Fees received under this section shall be handled in accordance with Section 19604.

SEC. 37. Section 23333 of the Revenue and Taxation Code is amended to read:

23333. (a) A taxpayer subject to Section 23186 shall, if it dissolves or withdraws prior to the date the rate is determined under Section 23186, pay a tax under Section 23332 at the maximum rate prescribed by Section 23186. If the rate is subsequently determined to be less than the maximum prescribed by Section 23186, a refund shall, within 30 days of that determination, be made as prescribed by Chapter 6 (commencing with Section 19301) of Part 10.2.

(b) That part of the tax thus determined which is in excess of the rate specified in Section 23151 shall be collected as a demand for second installment under Chapter 4 (commencing with Section 19001) of Part 10.2.

SEC. 38. Section 23335 of the Revenue and Taxation Code is amended to read:

23335. (a) Any return filed pursuant to subdivision (c) or (d) of Section 18601 that the taxpayer designates in the appropriate place on the form provided by the Franchise Tax Board as the taxpayer's final return as the result of a dissolution or withdrawal shall be treated as a request for a certificate issued by the Franchise Tax Board pursuant to Section 23334 unless the taxpayer has otherwise filed a request with the Franchise Tax Board for that certificate.

(b) If a taxpayer has filed a return that is a request for a tax clearance certificate as described in subdivision (a), the Franchise Tax Board shall provide the taxpayer with information, including forms and instructions, regarding all documents that are required by this article to be filed with the Franchise Tax Board and the Secretary of State.

SEC. 39. Section 23455 of the Revenue and Taxation Code is amended to read:

23455. For purposes of this part, Section 55 of the Internal Revenue Code is modified as follows:

(a) Section 55(b)(1) of the Internal Revenue Code, relating to tentative minimum tax, is modified by requiring the tentative minimum tax for the taxable year to be imposed as follows:

(1) 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.

(2) 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.

(3) 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.

(4) 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:

(A) At a rate of 7 percent upon the basis of so much of the alternative minimum taxable income as exceeds the exemption amount, and

(B) At the rate determined under Section 23186, less the rate prescribed by Section 23151, upon the basis of net income for the taxable year.

(5) 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:

(A) At a rate of 7 percent upon the basis of so much of the alternative minimum taxable income as exceeds the exemption amount, and

(B) 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 minimum 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, 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, Sections 18601, 23151, 23151.1, 23151.2, 23181, 23183, 23183.1, 23183.2, 23201 to 23204, inclusive, 23222 to 23224.5, inclusive, 23282, 23332.5, and 23504 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 chapter, 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, but does not include any amount imposed under paragraph (1) of subdivision (e) of Section 24667 or paragraph (2) of subdivision (f) of Section 24667.

(2) The tax specified in paragraph (1) shall be the amount determined prior to reduction by any credits against the tax.

SEC. 40. Section 23701r of the Revenue and Taxation Code is amended to read:

23701r. (a) A political organization. However, a political organization shall be subject to tax under this part with respect to its "political organization taxable income" and such income shall be subject to tax as provided by Chapter 3 (commencing with Section 23501).

(b) For purposes of this section, the political organization taxable income of any organization for any taxable year is an amount equal to the excess over one hundred dollars ($100) (if any) of—

(1) The gross income for the taxable year (excluding any exempt function income), over

(2) The deductions allowed by this part which are directly connected with the production of the gross income (excluding exempt function income).

(c) For purposes of this section, the term "exempt function income" means any amount received as—

(1) A contribution of money or other property,

(2) Membership dues, a membership fee or assessment from a member of the political organization, or

(3) Proceeds from a political fundraising or entertainment event, or proceeds from the sale of political campaign materials, which are not received in the ordinary course of any trade or business,

to the extent such amount is segregated for use only for the exempt function of the political organization.

(d) For purposes of this part, if any political organization—

(1) Contributes any amount to or for the use of any political organization which is treated as exempt from tax under subdivision (a) of this section,

(2) Contributes any amount to or for the use of any organization described in paragraph (1) or (2) of Section 509(a) of the Internal Revenue Code of 1954, which is exempt from tax under Section 23701, or

(3) Deposits any amount in the General Fund or the Treasury of the United States or in the General Fund of any state or local government,

such amount shall be treated as an amount not diverted for the personal use of the candidate or any other person. No deduction shall be allowed under this part for the contribution or deposit of any amount described in the preceding sentence.

(e) For purposes of this section—

(1) The term "political organization" means a party, committee, association, fund, (including the trust of an individual candidate) or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function.

(2) The term "exempt function" means the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the election of Presidential or Vice Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed. The term includes the making of expenditures relating to an office described in the preceding sentence which, if incurred by the individual, would be allowable as a deduction under Section 162(a) of the Internal Revenue Code.

(3) The term "contributions" has the meaning given to such term by paragraph (2) of subdivision (b) of Section 24434.

(4) The term "expenditures" has the meaning given to such term by paragraph (3) of subdivision (b) of Section 24434.

(f) For purposes of paragraph (1) of subdivision (e), a separate segregated fund (within the meaning of Section 610 of Title 18 of the United States Code or of any similar state statute, or within the meaning of any state statute which permits the segregation of dues money for exempt functions, within the meaning of paragraph (2) of subdivision (e)) which is maintained by an organization described in Sections 23701a through 23701p or Section 23701s which is exempt from tax under Section 23701 shall be treated as a separate organization.

(g) (1) For purposes of this section, a fund established and maintained by an individual who holds, has been elected to, or is a

candidate (within the meaning of paragraph (3)) for nomination or election to, any federal, state, or local elective public office for use by such individual exclusively for the preparation and circulation of such individual's newsletter shall, except as provided in paragraph (2), be treated as if such fund constituted a political organization.

(2) In the case of any fund described in paragraph (1) the exempt function shall be only the preparation and circulation of the newsletter.

(3) For purposes of paragraph (1), "candidate" means with respect to any federal, state, or local elective public office, an individual who does both of the following:

(A) Publicly announces that he or she is a candidate for nomination or election to that office.

(B) Meets the qualifications prescribed by law to hold that office.

(h) The requirements set forth in subdivisions (a), (b) and (c) of Section 23701 shall not apply to a political organization or newsletter fund described in this section. However, in the case of a corporation incorporated or organized in this state or qualified to do business in this state, such corporation shall either pay the minimum tax provided in Section 23153 or obtain a certificate of exemption from the Franchise Tax Board before the corporation files with the Secretary of State its articles of incorporation or a duly certified copy thereof.

(i) The requirements set forth in Section 23772 or Section 23774 shall not apply to a political organization or newsletter fund. Further, the requirements set forth in Sections 18505, 18506, and 18601 shall not apply to a political organization or newsletter fund described in this section, except that if it has political organization taxable income for any taxable year, the political organization shall be required to file income tax returns or statements as determined by the Franchise Tax Board under Chapter 3 (commencing with Section 23501).

SEC. 41. Section 23772 of the Revenue and Taxation Code is amended to read:

23772. (a) For the purposes of this part—

(1) Except as provided in paragraph (2) every organization exempt from taxation under Section 23701 and every trust treated as a private foundation because of Section 4947(a)(1) of the Internal Revenue Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the laws under this part as the Franchise Tax Board may by rules or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Franchise Tax Board may from time to time prescribe. The return shall be filed on or before the 15th day of the fifth full calendar month following the close of the income year.

(2) Exceptions from filing—

(A) Mandatory exceptions—Paragraph (1) shall not apply to—

(i) Churches, their integrated auxiliaries, and conventions or

association of churches,

(ii) Any organization (other than a private foundation as defined in Section 23709), the gross receipts of which in each taxable year are normally not more than twenty-five thousand dollars ($25,000), or

(iii) The exclusively religious activities of any religious order,

(B) Discretionary exceptions—The Franchise Tax Board may permit the filing of a simplified return for organizations based on either gross receipts or total assets or both gross receipts and total assets, or may permit the filing of an information statement (without fee), or may permit the filing of a group return for incorporated or unincorporated branches of a state or national organization where it determines that an information return is not necessary to the efficient administration of this part.

(3) An organization that is required to file an annual information return shall pay a filing fee of ten dollars ($10) on or before the due date for filing the annual information return (determined with regard to any extension of time for filing the return) required by this section. In case of failure to pay the fee on or before such due date unless it is shown that such failure is due to reasonable cause, the filing fee shall be twenty-five dollars ($25). All collection remedies provided in Article 5 (commencing with Section 18661) of Chapter 2 of Part 10.2 shall be applicable to collection of the filing fee. However, the filing fee shall not apply to the organization described in paragraph (4).

(4) Paragraph (3) shall not apply to: (A) a religious organization exempt under Section 23701d; (B) an educational organization exempt under Section 23701d, if such organization normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on; (C) a charitable organization, or an organization for the prevention of cruelty to children or animals, exempt under Section 23701d, if such organization is supported, in whole or in part, by funds contributed by the United States or any state or political subdivision thereof, or is primarily supported by contributions of the general public; (D) an organization exempt under Section 23701d, if such organization is operated, supervised, or controlled by or in connection with a religious organization described in subparagraph (A).

(b) Every organization described in Section 23701d which is subject to the requirements of subdivision (a) shall furnish annually information, at such time and in such manner as the Franchise Tax Board may by rules or regulations prescribe, setting forth—

(1) Its gross income for the year,

(2) Its expenses attributable to such income and incurred within the year,

(3) Its disbursements within the year for the purposes for which it is exempt,

(4) A balance sheet showing its assets, liabilities, and net worth as of the beginning of such year,

(5) The total of the contributions and gifts received by it during the year, and the names and addresses of all substantial contributors,

(6) The names and addresses of its foundation manager (within the meaning of Section 4946 of the Internal Revenue Code) and highly compensated employees,

(7) The compensation and other payments made during the year to each individual described in paragraph (6),

(8) In the case of an organization with respect to which an election under Section 23704.5 is effective for the taxable year, the following amounts for such organization for such taxable year:

(A) The lobbying expenditures (as defined in Section 23740(c)(1)).

(B) The lobbying nontaxable amount (as defined in Section 23740(c)(2)).

(C) The grassroots expenditures (as defined in Section 23740(c)(3)).

(D) The grassroots nontaxable amount (as defined in Section 23740(c)(4)). For purposes of this paragraph, if Section 23740(f) applies to the organization for the taxable year, the organization shall furnish the amounts with respect to the affiliated group as well as with respect to the organization.

(9) Such other information with respect to direct or indirect transfers to, and other direct or indirect transactions and relationships with, other organizations described in Sections 23701a to 23701w, inclusive (other than Sections 23701d, 23701k, and 23701t), as the Franchise Tax Board may require to prevent either of the following:

(A) Diversion of funds from the organization's exempt purpose.

(B) Misallocation of revenue or expense, and

(10) Any other relevant information as the Franchise Tax Board may prescribe.

(c) In addition to the above annual return any organization which is required to file an annual report under Section 6056 of the Internal Revenue Code will furnish a copy of the report to the Franchise Tax Board at the time the annual return is due.

(d) For the purposes of this part—

(1) In the case of a failure to file a return required under this section on the date and in the manner prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause, there shall be paid (on notice and demand by the Franchise Tax Board and in the same manner as tax) by the exempt organization or trust failing so to file, five dollars ($5) for each month or part thereof during which such failure continues, but the total amount imposed hereunder on any organization for failure to file any return shall not exceed forty dollars ($40).

(2) The Franchise Tax Board may make written demand upon a private foundation failing to file under paragraph (1) of this subdivision or subdivision (c) specifying therein a reasonable future

date by which such filing shall be made, and if such filing is not made on or before such date, and unless it is shown that failure so to file is due to reasonable cause, there shall be paid (on notice and demand by the Franchise Tax Board and in the same manner as tax) by the person failing so to file, in addition to the penalty prescribed in paragraph (1), a penalty of five dollars ($5) each month or part thereof after the expiration of the time specified in the written demand during which such failure continues, but the total amount imposed hereunder on all persons for such failure to file shall not exceed twenty-five dollars ($25). If more than one person is liable under this paragraph for a failure to file, all such persons shall be jointly and severally liable with respect to such failure. The term "person" as used herein means any officer, director, trustee, employee, member, or other individual who is under a duty to perform the act in respect of which the violation occurs.

(e) The reporting requirements and penalties shall be applicable for income years beginning after December 31, 1970, except that the provisions of subparagraph (B) of paragraph (2) of subdivision (a) shall apply to income years ending after December 31, 1970.

SEC. 42. Section 23777 of the Revenue and Taxation Code is amended to read:

23777. The exemption granted to any organization under the provisions of Article 1 (commencing with Section 23701) of this chapter may be revoked by the Franchise Tax Board if the organization fails to—

(a) File the annual return or statement required under Section 23772 or 23774 or pay any amount required under Section 23703 or 23772 on or before the last day of the 12th month following the close of the income year;

(b) Comply with Section 19504 (relating to powers of the Franchise Tax Board to examine records and subpoena witnesses); or

(c) Confine its activities to those permitted by the section under which the exemption was granted.

SEC. 43. 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.

(c) An "S corporation" shall be subject to the minimum franchise tax imposed under Section 23153.

(d) (1) For purposes of subdivision (b), an "S corporation" shall be allowed a deduction under Section 24416 or 24416.1 (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) (A) 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. For purposes of the tax imposed under Section 23151 or 23501, as modified by this section, material participation shall be determined in accordance with Section 469(h) of the Internal Revenue Code, relating to certain closely held "C corporations" and personal service corporations.

(B) For purposes of this paragraph, the "adjusted gross income" of the "S corporation" shall be equal to its "net income," as determined under Section 24341 with the modifications required by this subdivision, except that no deduction shall be allowed for contributions allowed by Section 24357.

(g) The provisions of Section 1363(d) of the Internal Revenue Code, relating to recapture of LIFO benefits, shall be modified for purposes of this part to refer to Section 19102 in lieu of Section 6601 of the Internal Revenue Code.

SEC. 44. 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 18535 (relating to a group return for nonresident partners of a partnership).

SEC. 45. Section 23811 of the Revenue and Taxation Code is amended 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 19441, 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. 46. Section 24273.5 of the Revenue and Taxation Code is amended to read:

24273.5. (a) Noncash patronage allocations from farmers' cooperative and mutual associations (whether paid in capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice or in some other manner that discloses the dollar amount of such noncash patronage allocations) may, at the election of the taxpayer, be considered as income and included in gross income for the income year in which received.

(b) If a taxpayer exercises the election provided for in subdivision (a), the amount included in gross income shall be the face amount of such allocations.

(c) If a taxpayer elects to exclude noncash patronage allocations from gross income for the income year in which received, such allocations shall be included in gross income in the year that they are redeemed or realized upon.

(d) If a taxpayer exercises the election provided for in subdivision (c), the face amount of such noncash patronage allocations shall be

disclosed in the return made for the income year in which such noncash patronage allocations were received.

(e) If a taxpayer exercises the election provided for in subdivision (a) or (c) for any income year, then the method of computing income so adopted shall be adhered to with respect to all subsequent income years unless with the approval of the Franchise Tax Board a change to a different method is authorized.

(f) If a taxpayer has made the election provided for in subdivision (c), then (1) the statutory period for the assessment of a deficiency for any income year in which the amount of any noncash patronage allocations are realized shall not expire prior to the expiration of four years from the date the Franchise Tax Board is notified by the taxpayer (in any manner as the Franchise Tax Board may by regulation prescribe) of the realization of gain on such allocations; and (2) that deficiency may be assessed prior to the expiration of the four-year period, notwithstanding the provisions of Section 19057 or the provisions of any other law or rule of law which would otherwise prevent such assessment.

SEC. 47. Section 24447 of the Revenue and Taxation Code is amended to read:

24447. The Franchise Tax Board may disallow a deduction under this part to an individual or entity for amounts paid as remuneration for personal services if that individual or entity fails to report the payments required under Section 13050 of the Unemployment Insurance Code or Section 18637 or 18638 on the date prescribed therefor (determined with regard to any extension of time for filing).

SEC. 48. Section 24448 of the Revenue and Taxation Code is amended to read:

24448. (a) Notwithstanding any other provisions in this part, in the case of a taxpayer who owns real property and has either failed to provide the information required pursuant to Section 18642 or has provided information which is either false, misleading, or incomplete in the information return required pursuant to Section 18642, no deduction for interest, taxes, depreciation, or amortization under Section 24343, 24344, 24345, 24349, or 24354.2 shall be allowed which relate to that real property, as provided in subdivision (b).

(b) No deduction shall be allowed for the items provided in subdivision (a) from 60 days after the due date for filing the information return required pursuant to Section 18642 until the date the Franchise Tax Board determines that all provisions of Section 18642 have been complied with.

(c) In the event the period of noncompliance does not cover an entire income year, the deductions shall be denied at the rate of one-twelfth for each full month during the period of noncompliance.

SEC. 49. Section 24453 of the Revenue and Taxation Code is amended to read:

24453. Section 302(c)(2) of the Internal Revenue Code, relating to determining termination of interest, is modified to refer to the

periods of limitation provided in "Chapter 4 (commencing with Section 19001) and Chapter 5 (commencing with Section 19201) of Part 10.2," in lieu of "Sections 6501 and 6502" of the Internal Revenue Code and to refer to "taxes imposed under the Personal Income Tax Law" and the "Bank and Corporation Tax Law," in lieu of "Federal income tax."

SEC. 50. Section 24634 of the Revenue and Taxation Code is amended to read:

24634. (a) In addition to the short-period returns required by Section 24632, a return for a period of less than 12 months (referred to in this article as "short period") shall be made under any of the following circumstances:

(1) When the taxpayer, with the approval of the Franchise Tax Board, changes its annual accounting period. In such a case, the return shall be made for the short period beginning on the day after the close of the former income year and ending at the close of the day before the day designated as the first day of the new income year.

(2) When the taxpayer is in existence during only part of what would otherwise be its income year.

(3) When the Franchise Tax Board terminates the taxpayer's income year under Sections 19081 and 19082 (relating to tax in jeopardy).

(b) This section shall apply whether or not a federal return is required to be filed for a period of less than 12 months.

SEC. 51. Section 24946 of the Revenue and Taxation Code is amended to read:

24946. If the election provided in Section 24944(a) is made by the taxpayer and such other property or such stock was purchased before the beginning of the last income year in which any part of the gain upon such conversion is realized, any deficiency, to the extent resulting from such election, for any income year ending before such last income year may be assessed (notwithstanding the provisions of Section 19057 or the provisions of any other law or rule of law which would otherwise prevent such assessment) at any time before the expiration of the period within which a deficiency for such last income year may be assessed.

SEC. 52. Section 24992 of the Revenue and Taxation Code is repealed.

SEC. 53. 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, other than corporations making an election under Section 936 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 making an election pursuant to 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) of subdivision (b). Income of such a bank or corporation derived from or attributable to sources within the United States as determined by federal income tax laws 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.

(6) Export trade corporations, as described in Sections 970 to 972, inclusive, of the Internal Revenue Code.

(7) 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 for that income year and the denominator of which is the "earnings and profits" of that bank or corporation for that income year, as defined in Section 964 of the Internal Revenue Code.

(8) (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 or corporation which is not described in paragraphs (1) to (4), inclusive, and (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).

(b) For purposes of this article and Section 24411:

(1) An "affiliated bank or corporation" means a bank or corporation which is related to a bank or corporation, required to file under this part, because of any of the following:

(A) It owns directly or indirectly more than 50 percent of the voting stock of the bank or corporation required to file under this part.

(B) More than 50 percent of its voting stock is owned directly or indirectly by a bank or corporation required to file under this part.

(C) More than 50 percent of voting stock of both it and the bank or corporation required to file under this part is owned or controlled directly or indirectly by any bank or person (as defined in Section 7701(a)(1) of the Internal Revenue Code).

(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 at the time and place most reasonably convenient to all parties 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 19504 or by the State Board of Equalization as provided in Title 18, California Code of Regulations, Section 5005, or by the courts of this state as provided in Chapter 2 (commencing with Section 1985) of Title 3 of Part 4 of, and Section 2025 of, the Code of Civil Procedure. The consent relates to issues of jurisdiction and service and does not waive any defenses a taxpayer may otherwise have. 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 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 subdivision (a) in determining the amount of income of the taxpayer derived from or attributable to sources within this state.

(4) "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.

SEC. 54. Section 25111 of the Revenue and Taxation Code is amended to read:

25111. (a) A water's-edge election shall be made by contract with the Franchise Tax Board in the original return for a year and shall be effective only if every taxpayer which is a member of the water's-edge group and which is subject to tax under this part makes the election. A single taxpayer which is engaged in more than one business activity subject to allocation and apportionment as provided in Article 2 (commencing with Section 25120) of Chapter 17 may make a separate election for each business. The form and manner of making the water's-edge election shall be prescribed by the Franchise Tax Board. Each contract making a water's-edge election shall be for an initial term of five years, except as provided in subdivisions (b) and (c). Each contract shall provide that on the anniversary date of the contract or any other annual date specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in subdivision (f). Each contract shall be conditioned by an agreement to pay the amount specified in Section 25115. Except as provided in subdivisions (b) and (c), the Franchise Tax Board shall enter into a contract as provided by this section with any qualified taxpayer which wishes to make a water's-edge election. An affiliated bank or corporation which is a member of the water's-edge group and subsequently becomes subject to tax under this part or is a nonelecting taxpayer

which is subsequently proved to be a member of the water's-edge group pursuant to Franchise Tax Board audit determination, as evidenced by a notice of deficiency proposed to be assessed or a notice of tax change, shall be deemed to have elected.

No water's-edge election shall be made for an income year beginning prior to January 1, 1988.

(b) A water's-edge election may be terminated by a taxpayer prior to the end of the five-year period if any of the following occurs:

(1) The taxpayer is acquired directly or indirectly by a nonelecting entity which alone or together with those affiliates included in its combined report is larger than the taxpayer as measured by equity capital.

(2) The taxpayer ceases to be affiliated with any bank or corporation whose income and apportionment factors the taxpayer would be required to take into account in determining its income under Section 25101 but for the election and the taxpayer is not itself a bank or corporation doing business within and without the United States.

(3) With the permission of the Franchise Tax Board.

(4) Pursuant to a Franchise Tax Board audit determination, as evidenced by a notice of the deficiency proposed to be assessed or a notice of tax change, a substantial modification is made to the composition of the water's-edge group as filed, in which case the election may be terminated only with respect to income years beginning on or after January 1 of the year in which the audit determination is made.

No refund of any amounts paid pursuant to Section 25115 shall be made for those years during which the election was in effect.

(c) 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 willfully fails to comply substantially with Section 18634 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 willful evasion of taxes.

(3) An otherwise qualified taxpayer willfully 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) Upon request, prepare and make available for each bank or corporation included in the disclosure spreadsheet referred to in Section 18634 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, information filed with the Internal Revenue Service to comply with Sections 6038, 6038A, 6038B, 6038C, and 6041 of the Internal Revenue Code.

(F) Upon request, prepare and make available 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 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.

(d) The taxpayer shall be provided 90 days' prior written notice that the Franchise Tax Board intends to disregard a water's-edge election under subdivision (c). The taxpayer shall have the right to seek review in the superior court of the Franchise Tax Board's intended decision to disregard the election.

(e) In disregarding an election or in granting a change of election, the Franchise Tax Board shall impose any conditions which are necessary to prevent the avoidance of tax or clearly reflect income for the period the election was, or was purported to be, in effect. These conditions may include a requirement that income, including dividends paid from income earned while a water's-edge election was in effect, which would have been included in determining the income of the taxpayer from sources within and without this state pursuant to Section 25101 but for the water's-edge election shall be included in income in the year in which the election is changed or disregarded.

(f) If the taxpayer desires in any year not to renew the contract, the taxpayer shall serve written notice of nonrenewal of the contract upon the board in advance of the annual renewal date of the contract. Unless that written notice is served by the taxpayer at least 90 days prior to the renewal date, the contract shall be considered renewed as provided in subdivision (a).

(g) If the taxpayer serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract, as the case may be.

SEC. 55. Section 25112 of the Revenue and Taxation Code is amended to read:

25112. (a) If a taxpayer electing under Section 25110 fails to supply any required information, in addition to being subject to disqualification by the Franchise Tax Board pursuant to Section 25111 and to any penalties otherwise provided by this part, the taxpayer shall pay a penalty of one thousand dollars ($1,000) for each income year with respect to which the failure occurs.

(b) If the failure continues for more than 90 days after the date on which the Franchise Tax Board mails notice of that failure to the taxpayer, the taxpayer shall pay a penalty (in addition to the amount required under subdivision (a)) of one thousand dollars ($1,000) for each 30-day period (or fraction thereof) during which the failure continues after the expiration of the 90-day period. The increase in any penalty under this subdivision shall not exceed twenty-four thousand dollars ($24,000).

(c) If the taxpayer fails to comply substantially with any formal document request arising out of the examination of the tax treatment of any item (hereinafter in this section referred to as the "examined item") before the 90th day after the date of the mailing of the request, any court having jurisdiction of a civil proceeding in which

the tax treatment of the examined item is an issue may, upon motion by the Franchise Tax Board, prohibit the introduction by the taxpayer of documentation covered by that request.

(d) For purposes of this section, the time in which information is to be furnished (and the beginning of the 90-day period after notice by the Franchise Tax Board) shall be treated as beginning not earlier than the last day on which reasonable cause existed for failure to furnish the information.

(e) This section shall not apply with respect to any requested documentation if the taxpayer establishes that the failure to provide the documentation, as requested by the Franchise Tax Board, is due to reasonable cause. For purposes of subdivision (c), the fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the requested documentation is not reasonable cause unless, after in-camera review of the documentation, the court finds otherwise.

(f) For purposes of this section, the term "formal document request" means any request (made after the normal request procedures have failed to produce the requested documentation) for the production of documentation which is mailed by registered or certified mail to the taxpayer at its last known address and which sets forth all of the following:

(1) The time and place for the production of the documentation.

(2) A statement of the reason the documentation previously produced (if any) is not sufficient.

(3) A description of the documentation being sought.

(4) The consequences to the taxpayer of the failure to produce the documentation described in this section.

(g) Notwithstanding any other law or rule of law, any taxpayer to whom a formal document request is mailed may begin a proceeding to quash that request not later than the 90th day after the date the request was mailed. In any such proceeding, the Franchise Tax Board may seek to compel compliance with the request.

(h) The superior courts of the State of California for the Counties of Los Angeles, Sacramento, and San Diego, and for the City and County of San Francisco shall have jurisdiction to hear any proceeding brought under subdivision (g). An order denying the petition shall be deemed a final order which may be appealed.

The running of the 90-day period referred to in subdivision (b) shall be suspended during any period during which a proceeding brought under subdivision (g) is pending.

(i) For purposes of this section, "documentation" means any documentation which may be relevant or material to the tax treatment of the examined item.

(j) The Franchise Tax Board, and any court having jurisdiction over a proceeding under subdivision (g), may extend the 90-day period referred to in subdivision (b).

(k) If any bank or corporation takes any action as provided in subdivision (g), the running of any period of limitations under

Sections 19057 to 19067, inclusive (relating to the assessment and collection of tax), or under Section 19704 (relating to criminal prosecutions) with respect to that bank or corporation shall be suspended for the period during which the proceedings under subdivision (g) and appeals thereto are pending.

SEC. 56. Chapter 19 (commencing with Section 25401) of Part 11 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 57. Chapter 20 (commencing with Section 25661) of Part 11 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 58. Chapter 21 (commencing with Section 25901) of Part 11 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 59. Chapter 22 (commencing with Section 26071) of Part 11 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 59.5. Section 26073.4 of the Revenue and Taxation Code is repealed.

SEC. 59.6. Section 26073.4 is added to the Revenue and Taxation Code, to read:

26073.4. (a) If a change or correction is made or allowed by the Commissioner of Internal Revenue or other officer of the United States or other competent authority, or an amended return is required under Section 25432 and is filed timely, a claim for credit or refund resulting from the adjustment may be filed by the taxpayer within two years from the date of the final federal determination, or within the period provided in Section 26073.2, whichever period expires later.

(b) This section shall apply to any federal determination that becomes final on or after January 1, 1993.

SEC. 60. Chapter 23 (commencing with Section 26131) of Part 11 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 60.5. Section 26313 of the Revenue and Taxation Code is amended to read:

26313. (a) (1) If any person or bank fails to pay any amount of tax, penalty, addition to tax, interest, or other liability imposed and delinquent under this part, a collection cost recovery fee shall be imposed if the Franchise Tax Board has mailed a notice to the person for payment that advises that continued failure to pay the amount due may result in collection action, including the imposition of a collection cost recovery fee. The collection cost recovery fee in the amount of one hundred sixty-six dollars ($166) or an amount as adjusted under subdivision (b).

(2) If any person or bank fails or refuses to make and file a tax return required by this part within 25 days after formal legal demand to file the tax return is mailed to that person or bank by the Franchise Tax Board, the Franchise Tax Board shall add a filing enforcement cost recovery fee in the amount of one hundred nineteen dollars ($119) or an amount as adjusted under subdivision (b).

(b) For fees charged during the 1993–94 fiscal year and fiscal years thereafter, the amount of those fees shall be set to reflect actual costs and shall be specified in the annual Budget Act.

(c) Interest shall not accrue with respect to the cost recovery fees provided by this section.

(d) The amounts provided by this section are obligations imposed by this part and may be collected in any manner provided under this part for the collection of a tax.

(e) Subdivision (a) is operative with respect to notices for payment or legal demands to file, either of which is mailed on or after the effective date of this section.

(f) The Franchise Tax Board shall determine the total amount of the cost recovery fees collected or accrued through June 30, 1993, and shall notify the Controller of that amount. The Controller shall transfer that amount to the Franchise Tax Board, and that amount is hereby appropriated to the board for reimbursement of its collection and filing enforcement efforts.

SEC. 61. Chapter 24 (commencing with Section 26422) of Part 11 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 62. Section 803 of the Unemployment Insurance Code is amended to read:

803. (a) As used in this section "entity" means any employing unit that is authorized by any provision of Article 4 (commencing with Section 701) of this chapter or by Section 801 or 802 to elect a method of financing coverage permitted by this section.

(b) In lieu of the contributions required of employers, an entity may elect any one of the following:

(1) To pay into the Unemployment Fund the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on base period wages with respect to employment for the entity and charged to its account in the manner provided by Section 1026, pursuant to authorized regulations which shall prescribe the rate or amount, time, manner, and method of payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions.

(2) Two or more entities may, pursuant to authorized regulations, file an application with the director for the establishment of a joint account for the purpose of determining the rate of contributions they shall pay into the Unemployment Fund to reimburse the fund for benefits paid with respect to employment for such entities. The members of the joint account may share the cost of benefits, including extended duration benefits and federal-state extended benefits, paid based on the base period wages with respect to employment for such members and charged to the joint account in the manner provided by Section 1026. The director shall prescribe authorized regulations for the establishment, maintenance, and dissolution of joint accounts, and for the rate or amount, time, manner, and method of payment or advance payment or providing a good and sufficient bond to guarantee payment of contributions by the members of joint accounts, on the cost of benefits charged in the manner provided by Section 1026.

(c) Sections 1030, 1031, 1032, and 1032.5, and any provision of this

division for the noncharging of benefits to the account of an employer, shall not apply to an election under subdivision (b). The cost of benefits charged to an entity under this section shall include, but not be limited to, benefits or payments improperly paid in excess of a weekly benefit amount, or in excess of a maximum benefit amount, or otherwise in excess of the amount which should have been paid, due to any computational or other error of any type by the Employment Development Department or the Department of Benefit Payments, whether or not the error could be anticipated.

(d) In making the payments prescribed by subdivision (b) there shall be paid or credited to the Unemployment Fund, either in advance or by way of reimbursement, as may be determined by the director, those sums as he or she estimates the Unemployment Fund will be entitled to receive from each entity for each calendar quarter, reduced or increased by any sum by which he or she finds that his or her estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the fund. The estimates may be made upon the basis of statistical sampling, or any other method as may be determined by the director.

Upon making that determination, the director shall give notice of the determination, pursuant to Section 1206, to the entity. The director may cancel any contributions or portion thereof which he or she finds has been erroneously determined. The director shall charge to any special fund, which is responsible for the salary of any employee of an entity, the amount determined by the director for which the fund is liable pursuant to this section. The contributions due from the entity shall be paid from the liable special fund, the General Fund, or other liable fund to the Unemployment Fund by the Controller or other officer or person responsible for disbursements on behalf of the entity within 30 days of the date of mailing of the director's notice of determination to the entity. The director for good cause may extend for not to exceed 60 days the time for paying without penalty the amount determined and required to be paid. Contributions are due upon the date of mailing of the notice of determination and are delinquent if not paid on or before the 30th day following the date of mailing of the notice. Any entity which fails to pay the contributions required within the time required shall be liable for interest on the contributions at the adjusted annual rate and by the method established pursuant to Section 19521 of the Revenue and Taxation Code from and after the date of delinquency until paid, and any entity which without good cause fails to pay any contributions required within the time required shall pay a penalty of 10 percent of the amount of the contributions. If the entity fails to pay the contributions required on or before the delinquency date, the director may assess the entity for the amount required by the notice of determination. Article 8 (commencing with Section 1126) of Chapter 4 of Part 1 with respect to the assessment of contributions, and Chapter 7 (commencing with Section 1701) of Part 1 with respect to the collection of contributions, shall apply to the

assessments provided by this section. Sections 1177 to 1184, inclusive, relating to refunds and overpayments, shall apply to amounts paid to the Unemployment Fund pursuant to this section. Sections 1222, 1223, 1224, 1241, and 1242 shall apply to matters arising under this section.

(e) The director may terminate the election of any entity for financing under this section if the entity is delinquent in the payment of advances or reimbursements required by the director under this section. After any such termination the entity may again make an election pursuant to this section but only if it is not delinquent in the payment of contributions and not delinquent in the payment of advances or reimbursements required by the director under this section.

(f) Notwithstanding any other provision of this section, no entity shall be liable for that portion of any extended duration benefits or federal-state extended benefits which is reimbursed or reimbursable by the federal government to the State of California.

(g) After the termination of any election under this section, the entity shall remain liable for its proportionate share of the cost of benefits paid and charged to its account in the manner provided by Section 1026, which are based on wages paid for services during the period of the election. That liability may be charged against any remaining balance of a prior reserve account used by the entity pursuant to Section 712 or 713. Any portion of the remaining balance shall be included in the reserve account of the entity following any termination of an election under this section which occurs prior to the expiration of a period of three consecutive years commencing with the effective date of such election. For purposes of Section 982, the period of an election under Section 803 shall, to the extent permitted by federal law, be included as a period during which a reserve account has been subject to benefit charges.

SEC. 63. Section 828 of the Unemployment Insurance Code is amended to read:

828. Each school employer shall be responsible for a quarterly local experience charge as set forth below, together with the charges or penalties set by the administrator for administrative indiscretions, including tardiness and error, as well as all costs for benefits and administration resulting from failure to properly cover an employee. The reimbursement for charges shall be delinquent 30 days from the date of notice and if not paid within the time required, the school employer shall pay a penalty of 10 percent of the unpaid amount, plus interest at the adjusted annual rate established pursuant to Section 19521 of the Revenue and Taxation Code from and after the date of delinquency until paid. The local experience charge to be levied against each school employer shall be computed as follows:

Local Experience Charge

(a) The local experience charge rate shall be 10 percent for the first three complete fiscal years of participation in the School Employees Fund.

(b) The local experience charge rate for the fourth fiscal year, and each succeeding fiscal year, shall be determined by dividing the reserve balance at the end of the fiscal year which began 24 months prior to the fiscal year for which the rate is being calculated by the benefits paid for that same prior fiscal year.

The factor derived is the employer's reserve ratio. If, as of the computation date, the school employer's reserve ratio equals or exceeds that which appears on any line in column 1 of the following table, but is less than that which appears in column 2 of that table, the local experience charge rate shall be the figure appearing on that same line in column 3 of that table.

Line	Reserve Ratio	Rate
1	negative to 1.00	15%
2	1.00 to 2.00	10%
3	2.00 to 3.00	5%
4	3.00 or more	0

(c) The rate determined in subdivision (a) or (b) shall be multiplied by the employer's quarterly benefit charges to compute the local experience charges.

The administrator shall, not later than March 31 of each year, notify each school employer participating in the School Employees Fund of their local experience charge rate for the succeeding fiscal year.

SEC. 64. Section 1111 of the Unemployment Insurance Code is amended to read:

1111. The director for good cause may extend for not to exceed 60 days the time for making a return or paying without penalty any amount required to be paid under this division. Any employer to whom an extension is granted and who pays the amount required within the period for which the extension is granted shall pay, in addition to the contributions, interest at the adjusted annual rate and by the method established pursuant to Section 19521 of the Revenue and Taxation Code from the date on which the payment would have been delinquent without the extension until the date of payment.

SEC. 65. Section 1113 of the Unemployment Insurance Code is amended to read:

1113. Any employer who fails to pay any contributions required of him or of his workers, except amounts assessed under Article 8 (commencing with Section 1126), within the time required shall become liable for interest on such contributions at the adjusted annual rate and by the method established pursuant to Section 19521

of the Revenue and Taxation Code from and after the date of delinquency until paid.

SEC. 66. Section 1129 of the Unemployment Insurance Code is amended to read:

1129. The amount of each assessment shall bear interest at the adjusted annual rate and by the method established pursuant to Section 19521 of the Revenue and Taxation Code from and after the last day of the month following the close of the calendar quarter, or from and after the 15th day of the month following the close of the calendar month, for which the contributions should have been returned until the date of payment.

SEC. 67. Section 1181 of the Unemployment Insurance Code is amended to read:

1181. Interest shall be allowed and paid only to the extent that interest and penalties collected under this division are available therefor upon any overpayment of contributions at the adjusted rate per month, or fraction thereof, established pursuant to Section 19521 of the Revenue and Taxation Code, from the date of overpayment to the date of the allowance of the refund or credit, but no interest shall be allowed if the director determines that any overpayment was made intentionally or by reason of negligence on the part of the employing unit.

SEC. 68. Section 1184 of the Unemployment Insurance Code is amended to read:

1184. If any refund or portion thereof is erroneously made, the director shall assess that amount to the employing unit or other person to whom the refund was made, together with any interest paid thereon, but no assessment shall be made with respect to any amount of worker contributions which the employer has refunded to his or her employees. The amount of the assessment shall bear interest at the adjusted annual rate and by the method established pursuant to Section 19521 of the Revenue and Taxation Code commencing 30 days after the service of notice of the assessment, if not paid within that period, until the date of repayment. The director shall give the employing unit against whom the assessment is made a written notice of the assessment pursuant to Section 1206.

The notice shall be given within three years from the date the refund was made unless the employing unit waives this limitation period or consents to its extension. Sections 1135, 1136, 1222, 1223, and 1224 shall apply to assessments made under this section. The director shall collect the amount of any assessment made under this section in the same manner that other assessments are collected.

SEC. 69. Section 13003 of the Unemployment Insurance Code is amended to read:

13003. (a) Except where the context otherwise requires, the definitions set forth in this chapter, and in addition the definitions and provisions of the Personal Income Tax Law referred to and hereby incorporated by reference as set forth in the following provisions of the Revenue and Taxation Code, shall apply to and

govern the construction of this division:

(1) "Corporation" as defined by Section 17009.

(2) "Fiduciary" as defined by Section 17006.

(3) "Fiscal year" as defined by Section 17011.

(4) "Foreign country" as defined by Section 17019.

(5) "Franchise Tax Board" as defined by Section 17003.

(6) "Husband" and "wife" as defined by Section 17021.

(7) "Individual" as defined by Section 17005.

(8) "Military or naval forces" as defined by Section 17022.

(9) "Nonresident" as defined by Section 17015.

(10) "Partnership" as defined by Section 17008.

(11) "Person" as defined by Section 17007.

(12) "Resident" as defined by Sections 17014 and 17016.

(13) "State" as defined by Section 17018.

(14) "Taxable year" as defined by Section 17010.

(15) "Taxpayer" as defined by Section 17004.

(16) "Trade or business" as defined by Section 17020.

(17) "United States" as defined by Section 17017.

(b) The provisions of Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, relating to the following items, are hereby incorporated by reference and shall apply to and govern construction of this division:

(1) Trade or business expense (Article 6 (commencing with Section 17201) of Chapter 3).

(2) Deductions for retirement savings (Article 6 (commencing with Section 17201) of Chapter 3).

(3) Deduction for moving expense (Article 6 (commencing with Section 17201) of Chapter 3).

(4) Distributions of property by a corporation to a shareholder (Chapter 4 (commencing with Section 17321)).

(5) Deferred compensation (Chapter 5 (commencing with Section 17501)).

(6) Partners and partnerships (Chapter 10 (commencing with Section 17851)).

(7) Gross income of nonresident taxpayers Chapter 11 (commencing with Section 17951)).

(c) The provisions of Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code, relating to the following items, are hereby incorporated by reference and shall apply to and govern the construction of this division:

(1) Postponement of the time for certain acts by individuals in or in support of the armed forces (Section 18571).

(2) Disclosure of information (Article 2 (commencing with Section 19542) of Chapter 7, except Section 19564). For this purpose "Franchise Tax Board" as used therein shall mean the Employment Development Department in respect to information obtained in the administration of this division.

SEC. 70. Section 13020 of the Unemployment Insurance Code is amended to read:

13020. (a) Every employer who pays wages to a resident employee for services performed either within or without this state, or to a nonresident employee for services performed in this state, shall deduct and withhold from such wages, except as provided in Sections 13025 and 13026, for each payroll period, a tax computed in that manner as to produce, so far as practicable, with due regard to the credits for personal exemptions allowable under Section 17054 of the Revenue and Taxation Code, a sum which is substantially equivalent to the amount of tax reasonably estimated to be due under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code resulting from the inclusion in the gross income of the employee of the wages which were subject to withholding. The method of determining the amount to be withheld shall be prescribed by the Franchise Tax Board pursuant to Section 18663 of the Revenue and Taxation Code.

(b) The department upon request may permit the use of accounting machines to calculate the proper amount to be deducted and withheld from such wages, if such calculation produces an amount substantially equivalent to the amount of tax required to be withheld under subdivision (a).

SEC. 71. Section 13028 of the Unemployment Insurance Code is amended to read:

13028. (a) (1) For purposes of this division (and so much of Part 10 (commencing with Section 17001) and Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code as relates to this division) pensions, annuities, and other deferred income, as described in Section 3405 of the Internal Revenue Code, are wages and subject to withholding under this division.

(2) Notwithstanding paragraph (1), amounts excluded from gross income by Section 17131.5 of the Revenue and Taxation Code are not wages and are not subject to withholding under this division.

(b) If an individual makes an election under Section 3405(a)(2) or Section 3405(b)(3) of the Internal Revenue Code not to have tax withheld, that election shall apply to withholding under this division, unless the individual elects, with the consent of the payer, to have those payments subject to withholding under this division. If an individual has not made an election under Section 3405(a)(2) or Section 3405(b)(3) of the Internal Revenue Code, that individual may elect to exclude those payments from withholding under this division. Elections provided in this subdivision shall be made pursuant to regulations of the director.

(c) Where Section 3405 of the Internal Revenue Code provides that tables or other computational procedures shall be prescribed by the Secretary of the Treasury, for the purposes of this division, any of the following amounts may be withheld, upon election of the payer:

(1) An amount determined by the method prescribed under Section 13020.

(2) A designated dollar amount as requested by the payee.

(3) Ten percent of the amount of federal withholding computed pursuant to Section 3405 of the Internal Revenue Code.

(d) Where the amount of withholding computed pursuant to subdivision (c) is less than ten dollars ($10) per month, the payer shall not be required to withhold that amount.

(e) This section shall not apply to pensions, annuities, and other deferred income of payees with addresses outside this state, as shown on the most current records of the payer.

(f) The department shall, in consultation with the affected payers and payees, issue regulations to implement this section.

Those regulations shall provide for delay (but not beyond July 1, 1987) of the application of this section with respect to any payer or class of payers until that time as the payers are able to comply without undue hardship with the requirements of this section. In that case, no retroactive compliance shall be required.

SEC. 72. Section 13028.5 of the Unemployment Insurance Code is amended to read:

13028.5. (a) For purposes of this division (and so much of Part 10 (commencing with Section 17001) and Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code as relates to this division) any supplemental unemployment compensation benefit paid to an individual shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

(b) For purposes of subdivision (a), "supplemental unemployment compensation benefits" means amounts which are paid to an employee, pursuant to a plan to which the employer is a party, because of an employee's involuntary separation from employment (whether or not that separation is temporary), resulting directly from a reduction in force, the discontinuance of a plant or operation, or other similar conditions, but only to the extent those benefits are includable in the employee's gross income.

SEC. 73. Section 13028.6 of the Unemployment Insurance Code is amended to read:

13028.6. (a) For purposes of this division (and so much of Part 10 (commencing with Section 17001) and Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code as relates to this division), any payment to an individual of sick pay which does not constitute wages (determined without regard to this subdivision), if at the time the payment is made a request that such sick pay be subject to withholding under this division is in effect, shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

(b) For purposes of this subdivision, "sick pay" means any amount which satisfies both of the following:

(1) Is paid to an employee pursuant to a plan to which the employer is a party.

(2) Constitutes remuneration or a payment in lieu of remuneration for any period during which the employee is

temporarily absent from work on account of sickness or personal injuries.

(c) If a payee makes a request that any sick pay be subject to withholding under this chapter, the amount to be deducted and withheld under this chapter from any payment to which that request applies shall be an amount (not less than a minimum amount determined by the Franchise Tax Board) specified by the payee in that request. The amount deducted and withheld with respect to a payment which is greater or less than a full payment shall bear the same relation to the specified amount as that payment bears to a full payment.

(1) A request that any sick pay be subject to withholding under this chapter shall satisfy all of the following:

(A) Shall be made by the payee in writing to the person making the payments and shall contain the social security number of the payee.

(B) Shall specify the amount to be deducted and withheld from each full payment.

(C) Shall take effect with respect to payments made more than seven days after the date on which that request is furnished to the payer, or as the department shall by regulations prescribe. That request may be changed or terminated by furnishing to the person making the payments a written statement of change or termination which shall take effect in the same manner as provided in the preceding sentence. At the election of the payer, any such request (or statement of change or revocation) may take effect earlier than as provided in this subparagraph.

(2) Any sick pay paid pursuant to a collective bargaining agreement between employee representatives and one or more employers which contains a provision specifying that this paragraph is to apply to sick pay paid pursuant to that agreement and contains a provision for determining the amount to be deducted and withheld from each payment of that sick pay as follows:

(A) The requirement of paragraph (3) of subdivision (a) that a request for withholding be in effect shall not apply.

(B) Except as provided in Section 13026, the amounts to be deducted and withheld under this chapter shall be determined in accordance with that agreement.

The preceding sentence shall not apply with respect to sick pay paid pursuant to any agreement to any individual, unless the social security number of that individual is furnished to the payer and the payer is furnished with that information as is necessary to determine whether the payment is pursuant to the agreement and to determine the amount to be deducted and withheld.

SEC. 74. Section 13029 of the Unemployment Insurance Code is amended to read:

13029. The department may by authorized regulations provide for withholding—

(a) From remuneration for services performed by an employee

for his or her employer which (without regard to this section) does not constitute wages, and

(b) From any other type of payment with respect to which the department finds that withholding would be appropriate under the provisions of this division,

if the employer and the employee, or in the case of any other type of payment the person making and the person receiving the payment, agree to the withholding. The agreement shall be made in the form and manner as the department may by authorized regulations provide. For purposes of this division (and so much of Part 10 (commencing with Section 17001) and Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code as relates to this division) remuneration or other payments with respect to which the agreement is made shall be treated as if they were wages paid by an employer to an employee to the extent that the remuneration is paid or other payments are made during the period for which the agreement is in effect.

SEC. 75. Section 13052.5 of the Unemployment Insurance Code is amended to read:

13052.5. (a) In addition to the penalty imposed by Section 19183 of the Revenue and Taxation Code (relating to failure to file information returns), if any person, or entity fails to report amounts paid as remuneration for personal services as required under Section 13050 of this code or Sections 18637 and 18638 of the Revenue and Taxation Code on the date prescribed thereof (determined with regard to any extension of time for filing), that person or entity may be liable for a penalty determined under subdivision (b).

(b) For purposes of subdivision (a), the amount determined under this subdivision is the maximum rate under Section 17041 of the Revenue and Taxation Code multiplied by the unreported amounts paid as remuneration for personal services.

(c) The penalty imposed by subdivision (a) shall be assessed against that person or entity required to file a return under Section 13050 of this code or Section 18637 or 18638 of the Revenue and Taxation Code.

(d) Sections 1221 and 1222 of the Unemployment Insurance Code shall not apply to assessments imposed by this section.

(e) The penalty imposed under this section shall be in lieu of the penalty imposed under Section 19175 of the Revenue and Taxation Code. In the event that a penalty is imposed under both this section and Section 19175 of the Revenue and Taxation Code, only the penalty imposed under this section shall apply.

(f) The penalty imposed by this section may be assessed in lieu of, or in addition to, the penalty imposed by Section 13052 with respect to the failure to furnish a withholding statement to an employee.

SEC. 76. Section 13054 of the Unemployment Insurance Code is amended to read:

13054. If an employer fails to file the annual report of compensation paid and taxes withheld, required under Section

13053, on or before 30 days after notice has been given to the employer of his or her failure to file, unless the failure is due to reasonable cause, the employer, in addition to any other penalties imposed by this division and Part 10 (commencing with Section 17001) and Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code, shall pay a penalty of two hundred fifty dollars ($250) or 100 percent of the tax amount required to be reported by Section 13053, whichever is less. The penalty shall be assessed and collected in the same manner as the tax.

SEC. 77. Section 13101 of the Unemployment Insurance Code is amended to read:

13101. (a) In addition to any criminal penalty provided by law, if any individual makes a statement under Section 13040, 13041, or 13042 which results in a decrease in the amounts deducted and withheld under this division, and as of the time the statement was made, there was no reasonable basis for the statement, the individual shall pay a penalty of five hundred dollars ($500) for the statement.

(b) The department may waive, in whole or in part, the penalty imposed under subdivision (a) if the taxes imposed with respect to the individual under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code for the taxable year are equal to or less than the sum of both of the following:

(1) The credits against those taxes allowed by Sections 17052.1 through 17053.7 and Section 19002.

(2) The payments of estimated tax which are considered payments on account of those taxes.

(c) Article 11 (commencing with Section 1221) of Chapter 4 of Part 1, relating to administrative appellate review, shall not apply to the assessment or collection of any penalty imposed by subdivision (a).

(d) This section shall apply to acts and failures to act after December 31, 1981.

SEC. 78. Section 2 of Chapter 1451 of the Statutes of 1990 is amended to read:

Sec. 2. The California Commission on Aging may accept gifts and grants from any source, public or private, to the California Fund for Senior Citizens in addition to those moneys contributed to the fund by taxpayers under the Personal Income Tax Law. The commission shall allocate gifts and grants made to the California Fund for Senior Citizens pursuant to subparagraph (C) of paragraph (2) of subdivision (a) of Section 18723 of the Revenue and Taxation Code.

SEC. 79. Section 43 of Chapter 1348 of the Statutes of 1990 is amended to read:

Sec. 43. Sections 17, 18, 19, and 38 of this act shall be operative for any account referred for out-of-state collection via an agreement entered into pursuant to Section 19376 of the Revenue and Taxation Code.

SEC. 80. The amendments made to Sections 18451, 18586.2, 18586.3, 19053.6, 23153, 25432, 25673, 25674, and 26073.4 of the

Revenue and Taxation Code by Chapter 335 of the Statutes of 1992 shall apply to any federal audit determination that becomes final on or after January 1, 1993. Sections 18451, 18586.2, 18586.3, 19053.6, 23153, 25432, 25673, 25674, and 26073.4 of the Revenue and Taxation Code, as in effect immediately prior to the enactment of Chapter 335 of the Statutes of 1992, shall apply to any federal determination that became final before January 1, 1993.

SEC. 81. (a) Except as provided in subdivision (b), the amendments made to Sections 18588, 19053, and 26073 of, and to subdivision (b) of Section 25633 of, the Revenue and Taxation Code by Chapter 1295 of the Statutes of 1992 shall apply to returns filed for taxable or income years, respectively, beginning on or after January 1, 1992.

(b) All additional assessments under Section 18588 or subdivision (b) of Section 25663, otherwise barred solely by the provisions of Chapter 1295 of the Statutes of 1992 prior to the enactment of this act, shall remain barred. All claims for refunds under Section 19053 or Section 26073, otherwise barred solely by the provisions of Chapter 1295 of the Statutes of 1992 prior to the enactment of this act, shall be treated as timely filed if filed within the period allowed under those sections immediately prior to their amendment by Chapter 1295 of the Statutes of 1992.

(c) This section is intended to clarify legislative intent and to serve the public good by providing a consistent, dependable tax administrative system.

SEC. 81.5. Section 32.5 of this bill incorporates amendments to Section 23101.5 of the Revenue and Taxation Code proposed by this bill and SB 26. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1994, (2) each bill amends Section 23101.5 of the Revenue and Taxation Code, and (3) this bill is enacted after SB 26, in which case Section 23101.5 of the Revenue and Taxation Code, as amended by SB 26, shall remain operative only until the operative date of this bill, at which time Section 32.5 of this bill shall become operative, and Section 32 of this bill shall not become operative.

SEC. 82. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to avoid problems relating to the effective date of certain statutes that were enacted during the 1991–92 Regular Session, and to enable orderly administration of tax laws, it is necessary that this act go into immediate effect.

SEC. 83. All of the provisions of this act shall become operative on January 1, 1994, except that Sections 20.5, 21.5, 21.6, 59.5, 59.6, 60.5 80, and 81 of this act shall become operative on the same date that this act takes effect.

CHAPTER 32

An act to add Section 798.285 to the Civil Code, relating to mobilehome parks.

[Approved by Governor June 15, 1993. Filed with Secretary of State June 16, 1993.]

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

SECTION 1. Section 798.285 is added to the Civil Code, to read:

798.285. The management may cause the removal, pursuant to Section 22658 of the Vehicle Code, of a vehicle other than a mobilehome which is parked in the park when there is displayed a sign at each entrance to the park as provided in paragraph (1) of subdivision (a) of Section 22658 of the Vehicle Code.

CHAPTER 33

An act to amend Section 25503.6 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1993. Filed with Secretary of State June 16, 1993.]

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

SECTION 1. Section 25503.6 of the Business and Professions Code is amended to read:

25503.6. (a) Notwithstanding any other provision of this chapter, the holder of a beer manufacturer's or winegrower's license may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner of either of the following:

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located within a county of the eighth class, as defined in Section 28029 of the Government Code.

(B) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in Orange County.

(2) The outdoor stadium or fully enclosed arena described in paragraph (1) is not owned by a community college district.

(3) The advertising space or time is purchased only in connection with events to be held on the premises of the stadium or arena owned by the on-sale licensee.

(4) The on-sale licensee serves other brands of beer or wine in addition to the brand manufactured by the beer manufacturer or produced by the winegrower purchasing the advertising space or

time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the holder of the beer manufacturer's or winegrower's license and the on-sale licensee.

(c) Any holder of a beer manufacturer's or winegrower's license who, through coercion or other illegal means, induces a holder of a beer or wine wholesaler's license to fulfill those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, plus ten thousand dollars ($10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or 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 achieve the purposes of this act at the earliest opportunity, it is necessary that this act take effect immediately.

CHAPTER 34

An act to amend Section 10232.25 of the Business and Professions Code, relating to real estate.

[Approved by Governor June 15, 1993. Filed with Secretary of State June 16, 1993.]

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

SECTION 1. Section 10232.25 of the Business and Professions Code is amended to read:

10232.25. (a) A real estate broker who meets the criteria of subdivision (a) of Section 10232 shall, within 30 days after the end of each of the first three fiscal quarters of the broker's fiscal year, or within such additional time as the Real Estate Commissioner may allow for good cause, file with the commissioner a trust funds status report as of the last day of the fiscal quarter which shall include the following:

(1) A representation that the form and content of the trust account records of the broker are in compliance with the regulations of the commissioner.

(2) A representation that the broker's trust fund bank account is maintained in compliance with the regulations of the commissioner.

(3) A statement of the broker's aggregate accountability for trust funds.

(4) A report of trust funds in the broker's custody consisting of the trust account bank statements as of the bank's accounting date immediately preceding the end of the fiscal quarter and a schedule of withdrawals and deposits adjusting the account to its true balance as of the end of the fiscal quarter.

(5) A statement explaining any difference in amount between the broker's total accountability under paragraph (3) above and the adjusted trust account bank balance under paragraph (4) above.

(b) Each report made pursuant to subdivision (a) shall include the following:

(1) The name, address, and position or capacity of the person who prepared the report.

(2) A declaration under penalty of perjury by the broker that the information and representations in the report are true, complete, and correct to the best of the broker's knowledge and belief. The declaration in a report submitted on behalf of a corporate broker shall be signed by a broker-officer through whom the corporation is licensed as a real estate broker and by the chief executive officer of the corporation if he or she is not the signing broker-officer.

(c) If a broker fails to file a report required under subdivision (a) within the time permitted, the commissioner may cause an examination and report to be made and may charge the broker one and one-half times the cost of making the examination and report.

(d) A broker who meets the criteria of Section 10232, but who, in carrying on the activities described in subdivisions (d) and (e) of Section 10131, did not during a fiscal quarter, accept for the benefit of a person to whom the broker is trustee, any payment or remittance in a form convertible to cash by the broker, need not comply with the provisions of subdivision (a). In lieu thereof, the broker shall submit to the commissioner within 30 days after the end of the fiscal quarter or within such additional time as the commissioner may allow for good cause, a statement under penalty of perjury on a form provided by the department attesting to the fact that the broker did not receive any trust funds in cash or convertible to cash during the fiscal quarter.

(e) Any real estate broker who engages in any of the activities specified in subdivision (d) or (e) of Section 10131, but who is not required by this section to file trust funds status reports with the commissioner and who is not exempt therefrom under subdivision (d), shall complete trust funds status reports in accordance with either (1) the requirements of subdivisions (a) and (b) applicable to trust funds status reports filed with the commissioner, or (2) the requirements established by the lender or note owner, if the lender or note owner does all of the following: (i) requires monthly reconciliations of trust account balances; (ii) requires annual, CPA-audited financial statements; and (iii) maintains a contractual right to audit the trust accounts held by the broker on behalf of the lender or note owner.

The broker shall retain all trust funds status reports prepared

under this subdivision on file at the broker's offices, where they shall be subject to inspection by representatives of the commissioner upon 24 hours' notice.

CHAPTER 35

An act to amend Section 23101.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 21, 1993. Filed with Secretary of State June 22, 1993.]

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

SECTION 1. Section 23101.5 of the Revenue and Taxation Code is amended to read:

23101.5. (a) The Franchise Tax Board may determine that a corporation is not doing business in this state for purposes of this chapter or deriving income from sources within this state for purposes of Chapter 3 (commencing with Section 23501) if its only activities within this state consist of either or both of the following:

(1) The purchase of personal property or services solely for its own use or use by its affiliate outside this state if:

(A) The corporation does not have more than 100 employees in this state, whose duties are limited to solicitation, negotiation, liaison, monitoring, auditing, and inspecting the personal property or services acquired, or providing technical advice with respect to its requirements, and

(B) The corporation does not have more than 200 employees in this state, whose duties are limited to solicitation, negotiation, liaison, monitoring, auditing, and inspecting the personal property or services acquired, or providing technical advice with respect to its requirements, and the personal property or services purchased by the corporation or its affiliate are used for the construction or modification of a physical plant or facility located outside the state, and

(C) The combined number of employees in this state pursuant to subparagraphs (A) and (B) does not exceed 200.

(2) The presence of employees in this state only for the purpose of attending a public or private school, college or university.

(b) A corporation may petition the Franchise Tax Board for a determination in accord with procedures established by the Franchise Tax Board. The filing of that petition shall be deemed a waiver of the confidentiality provisions of Section 26451 with respect to the facts alleged in the petition and any additional evidence produced with respect to those facts.

(c) If the determination is made, it shall remain in force for five years as long as the corporation continues to meet the above criteria.

However, with respect to corporations meeting the above criteria on or before January 1, 1978, the determination shall remain in force indefinitely as long as the corporation continues to meet the above criteria.

(d) The corporation shall annually confirm with the Franchise Tax Board within two months and 15 days after the close of its fiscal year, in the manner as the Franchise Tax Board may prescribe, that the facts relevant to the granting of the determination then in effect remain unchanged or shall state and explain any changes that have occurred since the preceeding report was filed.

(e) Where a corporation applying for or relying on the determination is engaged in a unitary business, the limitation of 100 or 200 employees, as applicable, that is specified in paragraph (1) of subdivision (a) shall apply to the aggregation of all corporations within the unitary group.

(f) Each taxpayer that sells property or services to a corporation with more than 100 employees in this state, with respect to which the determination has been made, shall file annually with the Franchise Tax Board in the manner as the Franchise Tax Board may prescribe, a report identifying the number of its employees within this state directly attributable to the construction or modification of a physical plant or facility located outside the state.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 36

An act to amend Sections 61375, 61932, and 61933 of, to add Section 61373 to, and to add and repeal Sections 61375.5, 61378.5, and 61379 of, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 21, 1993. Filed with Secretary of State June 22, 1993.]

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

SECTION 1. Section 61373 is added to the Food and Agricultural Code, to read:

61373. Nothing in this article prevents a person from engaging in a cross-promotion involving any dairy product, including fluid milk products, if the dairy product involved in the cross-promotion is promoted without any express or implied reference to any particular brand or brands of the dairy product, and if all brands of the dairy product at all outlets at which the dairy product is sold are simultaneously and equally benefited by the cross-promotion.

SEC. 2. Section 61375 of the Food and Agricultural Code is amended to read:

61375. (a) The gift, or offer, or promise of any milk, cream, dairy product, service, money, or article of any kind, except to a bona fide charity, for the purpose of securing or retaining the milk, cream, or dairy product business of any wholesale customer or consumer is an unlawful practice.

(b) The issuance of coupons, premiums, certificates, or similar devices to be redeemed in connection with the retail sale of dairy products classified as class 1, is prohibited. This section does not prohibit the issuance of coupons, premiums, certificates, or similar devices to be redeemed in connection with the retail sale of dairy products other than those classified as class 1, if all the costs incurred in the issuance and redemption is borne by the person issuing and redeeming the coupons, premiums, certificates, or similar devices. The issuance and redemption of premiums, coupons, certificates, and similar devices in connection with the retail sale of dairy products, to the extent permitted under this section, shall otherwise comply with all the requirements of this chapter.

(c) Notwithstanding Section 61384, coupons redeemed with the retail sale of dairy products for which coupons are permitted pursuant to subdivision (b), or pursuant to Section 61375.5, shall not themselves cause a product to be sold below cost if, on a per-unit basis, the face value of the coupon does not exceed 25 percent of the issuing distributor's lowest lawful wholesale invoice price for the couponed product in effect during the period of the promotion in the area in which the coupon is offered, except as follows:

(1) For all yogurt and fromage frais products, the percentage is 50 percent of the issuing distributor's lowest lawful wholesale invoice price, and for sour cream products, cottage cheese products, class 4b products, kefir, fruit kefir, flavored milks and fluid milk products to which cultures are added, the percentage is 35 percent of the issuing distributor's lowest lawful wholesale invoice price.

(2) If a coupon is issued by a wholesale customer, the wholesale price to which the percentage is applied is the issuing wholesale customer's lowest current invoice or replacement cost for the couponed product in the area where the coupon is in effect. However, in the case of a wholesale customer who, by virtue of single integrated ownership, is also a distributor, as those terms are defined by Sections 61317 and 61306, respectively, the percentage shall be applied to the replacement cost of the product involved in the promotion. "Replacement cost" includes all procurement and processing costs and distribution and other costs incurred in supplying the couponed product to the consumer outlet owned by the wholesale customer.

(3) This subdivision does not preclude a distributor from issuing a coupon with a face value that exceeds the applicable percentage of the lowest lawful wholesale invoice price, if on a per-unit basis, the coupon promotion does not result in the product being sold below cost pursuant to Section 61384.

(d) Notwithstanding Section 61384, consumer premiums offered

in conjunction with the retail sale of dairy products for which consumer premiums are permitted pursuant to subdivision (b), or pursuant to Section 61375.5, shall not themselves cause a product to be sold below cost if, on a per-unit basis, the cost of the premium to the issuing distributor does not exceed 25 percent of the issuing distributor's lowest lawful wholesale invoice price for the product involved in the promotion in effect during the period of the promotion in the area in which the promotion is offered, except as follows:

(1) For all yogurt and fromage frais products, the percentage is 50 percent of the lowest lawful wholesale invoice price, and for sour cream products, cottage cheese products, class 4b products, kefir, fruit kefir, flavored milks and fluid milk products to which cultures are added, the percentage is 35 percent of the lowest lawful wholesale invoice price.

(2) If a consumer premium is offered by a wholesale customer, the wholesale price to which the percentage is applied is the issuing wholesale customer's lowest current invoice price for the product involved in the promotion in effect in the area where the promotion is in effect. However, in the case of a wholesale customer who, by virtue of single integrated ownership, is also a distributor, as those terms are defined by Sections 61317 and 61306, respectively, the percentage shall be applied to the replacement cost of the product involved in the promotion. "Replacement cost" includes all procurement and processing costs and distribution and other costs incurred in supplying the product involved in the promotion to the consumer outlet owned by the wholesale customer.

(3) For purposes of this subdivision, "consumer premium" means an offer to a consumer of anything of value, excluding cents-off coupons for a dairy product, with less than full remuneration by the consumer for the value of the premium received, conditioned on the purchase of one or more units of a dairy product for which consumer premiums are permitted pursuant to subdivision (b), and requiring the consumer to initiate some postpurchase action to acquire the premium.

(4) The cost of the premium is a value in excess of zero dollars ($0.00) reflective of the true wholesale price of the premium purchased in the appropriate quantity or its replacement cost for a like quantity.

(5) This subdivision does not preclude a distributor from offering a consumer premium with a cost that exceeds the applicable percentage of the lowest lawful wholesale invoice price, if, on a per-unit basis, the promotion does not result in the product being sold below cost pursuant to Section 61384.

(e) Except as expressly provided to the contrary in this section, this section shall have no effect on Section 61384 or any regulations adopted pursuant to that section. To the extent of any conflict between this section and Section 61384, this section shall prevail.

SEC. 3. Section 61375.5 is added to the Food and Agricultural

Code, to read:

61375.5. (a) Notwithstanding subdivision (b) of Section 61375, coupons, premiums, certificates, or similar devices to be redeemed in connection with the retail sale of kefir, fruit kefir, flavored milks, and fluid milk products to which cultures are added, including, but not limited to, lactobacillus acidophilus, may be issued subject to the conditions in subdivisions (c) and (d) of Section 61375.

(b) This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 4. Section 61378.5 is added to the Food and Agricultural Code, to read:

61378.5. (a) Notwithstanding subdivision (a) of Section 61378, 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 kefir, fruit kefir, and fluid milk products to which cultures are added, including, but not limited to, lactobacillus acidophilus, is not an unlawful practice.

(b) This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 5. Section 61379 is added to the Food and Agricultural Code, to read:

61379. This article does not prohibit a distributor of products classified as class 4b from engaging in cross-promotion.

(a) As used in this section, "cross-promotion" means any promotional activity jointly entered into by a distributor of a class 4b product and any other firm or firms, including another distributor of a class 4b product, whereby products marketed by the class 4b distributor and the other firm or firms are jointly advertised or promoted for sale in a manner that conveys a benefit in the purchase of one product earned by the purchase of the other product.

(b) Class 4b products sold during a cross-promotion shall not be sold at less than cost pursuant to Section 61384, where the class 4b distributor shall be presumed to bear half of the costs of the cross-promotion unless the distributor proves a different cost allocation between the cross-promotion participants.

(c) For purposes of enforcing this section, the director may use typical or average costs of promotional programs as provided by advertising companies, marketing companies, or research organizations in determining costs that will apply to a particular cross-promotion, if no other accurate and reliable information is available to the director. The intent of this subdivision is to ensure that this section is enforced on a timely basis to prevent the initiation or continuance of cross-promotions that violate this section.

(d) For the purpose of determining the cost of the class 4b product, cross-promotion costs shall be amortized over the number of units of the class 4b product sold, or reasonably expected to be sold, within the geographic area of the promotion, during the period of

the cross-promotion, but in no case to exceed those units of product sold, or expected to be sold, within that geographic area, in a 90-day period.

(e) The department may require class 4b distributors to submit information in advance of the commencement of a cross-promotion necessary to determine the likelihood that the planned cross-promotion will conform to this article.

(f) This section shall have no effect on the applicability of this article to cross-promotions involving other dairy products.

(g) Cross-promotions under this section shall not be subject to the generic cross-promotion conditions provided in Section 61373.

(h) This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 6. 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, that is sold for use outside the state.

(B) Any market milk products that are ultrapasteurized and sold for use outside the 48 contiguous states in the United States.

(2) Any market half-and-half that is ultrapasteurized and packaged in hermetically sealed containers.

(3) Any market half-and-half that 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.

(b) Any market milk, market skim milk, or market cream that 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 that is used in the standardizing or fortifying of any milk product that is defined in this section as class 1.

(d) Any market milk, market skim milk, or market cream that 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. 7. Section 61933 of the Food and Agricultural Code is amended to read:

61933. Class 2 comprises any market milk, market skim milk, or market cream used in the manufacture of market cream, homogenized market cream, sour cream, sour cream dressing, sour half-and-half or light sour cream, uncreamed, creamed, or partially creamed cottage cheese, soft fresh cheese (fromage frais), buttermilk, and yogurt. Class 2 also comprises any market milk, market skim milk, or market cream used in the manufacture of any product for which a definition and standard is prescribed in Division 15 (commencing with Section 32501), except any product that is included in class 1, class 3, class 4a, or class 4b.

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 prevent California producers of dairy products from being competitively disadvantaged and to avoid creating unintended market advantages for non-California producers in California markets, it is necessary that this act take effect immediately.

CHAPTER 37

An act to amend Section 8265.5 of the Education Code, relating to child care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 21, 1993. Filed with Secretary of State June 22, 1993.]

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

SECTION 1. Section 8265.5 of the Education Code is amended to read:

8265.5. In order to reflect the additional expense of serving children who meet any of the criteria outlined in subdivisions (a) to (e), inclusive, the provider agency's reported child days of enrollment for these children shall be multiplied by the adjustment factors listed below.

The adjustment factors shall apply to those programs for which assigned reimbursement rates are at or below the standard reimbursement rate. In addition, the adjustment factors shall apply to those programs for which assigned reimbursement rates are above

the standard reimbursement rate, but the reimbursement rate, as adjusted, shall not exceed the adjusted standard reimbursement rate.

(a) For infants and toddlers from 0 to 36 months, the adjustment factor shall be 1.4.

(b) For children with exceptional needs age 0 to 21, the adjustment factor shall be 1.2.

(c) For severely handicapped children age 0 to 21, the adjustment factor shall be 1.5.

(d) For a child at risk of neglect, abuse, or exploitation age 0 to 14, the adjustment factor shall be 1.1.

(e) For limited-English-speaking and non-English-speaking children age 2 years through kindergarten, the adjustment factor shall be 1.1.

Use of these adjustment factors shall not increase the provider agency's total annual allocation.

Days of enrollment for children having more than one of the criteria outlined in subdivisions (a) to (e), inclusive, shall not be reported under more than one of the above categories.

Reimbursement resulting from the use of the above adjustment factors shall be used for special and appropriate services for each child.

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

In order to authorize the child care and development programs that serve children to receive the revenue that had been anticipated for the 1992–93 fiscal year and to allow the continued operation of those programs in a timely manner, it is necessary that this act take effect immediately.

CHAPTER 38

An act to repeal Sections 1229 and 1229.2 of the Water Code, relating to water.

[Approved by Governor June 21, 1993. Filed with Secretary of State June 22, 1993.]

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

SECTION 1. Section 1229 of the Water Code is repealed.

SEC. 2. Section 1229.2 of the Water Code is repealed.

CHAPTER 39

An act to amend, repeal, and add Section 10000 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 10000 of the Elections Code is amended to read:

10000. (a) Except as specified in subdivision (b), all expenses, authorized and necessarily incurred in the preparation for and conduct of elections as provided in this code, shall be paid from the county treasuries, except that when an election is called by the governing body of a city, the expenses shall be paid from the treasury of the city. All payments shall be made in the same manner as other county or city expenditures are made. The clerk, in providing the materials required by this division, need not utilize the services of the county or city purchasing agent.

(b) All expenses, authorized and necessarily incurred in the preparation for and conduct of elections proclaimed by the Governor to fill a vacancy in the office of State Senator or Member of the Assembly, or to fill a vacancy in the office of United States Senator or Representative in the United States House of Representatives shall be paid by the state. If an election proclaimed by the Governor to fill a vacancy in an office specified in this subdivision is consolidated with any other local election, only those additional expenses directly related to the election proclaimed by the Governor to fill a vacancy in the office shall be paid by the state.

(c) This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 2. Section 10000 is added to the Elections Code, to read:

10000. (a) All expenses, authorized and necessarily incurred in the preparation for and conduct of elections as provided in this code, shall be paid from the county treasuries, except that when an election is called by the governing body of a city, the expenses shall be paid from the treasury of the city. All payments shall be made in the same manner as other county or city expenditures are made. The clerk, in providing the materials required by this division, need not utilize the services of the county or city purchasing agent.

(b) This section shall become operative on January 1, 1996.

SEC. 3. The amendments made to Section 10000 of the Elections Code by Section 1 of this act apply to any election conducted on or after January 1, 1993.

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 local governments are not unduly burdened with the costs of the several special elections held to fill vacancies in offices of the Legislature and Congress, it is necessary that this act take effect immediately.

CHAPTER 40

An act to amend and renumber Sections 13131 and 13132 of the Food and Agricultural Code, relating to economic poisons.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 13131 of the Food and Agricultural Code is amended and renumbered to read:

13134. (a) The department, in cooperation with the State Department of Health Services, shall conduct an assessment of dietary risks associated with the consumption of produce and processed foods treated with pesticides. This assessment shall integrate adequate data on acute effects and the mandatory health effects studies specified in subdivision (c) of Section 13123, appropriate dietary consumption estimates, and relevant residue data based on the department's and the State Department of Health Services' monitoring data and appropriate field experimental and food technology information to quantify consumer risk. Differences in age, sex, ethnic, and regional consumption patterns shall be considered. The department shall submit each risk assessment to the State Department of Health Services, with necessary supporting documentation, for peer review, which shall consider the adequacy of public health protection. The State Department of Health Services may provide comments to the department. The department shall formally respond to all of the comments made by the State Department of Health Services. The department shall modify the risk assessment to incorporate the comments as deemed appropriate by the director. All correspondence between the department and the State Department of Health Services in this matter shall be made available to any person, upon request, pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(b) The department shall consider those pesticides designated for priority food monitoring pursuant to Section 12535 and the results of the department's or the State Department of Health Services' monitoring in establishing priorities for the dietary risk assessments.

(c) (1) If the department lacks adequate data on the acute effects of pesticide active ingredients or mandatory health effects studies specified in subdivision (c) of Section 13123 necessary to accurately estimate dietary risk, the department shall require the appropriate data to be submitted by the registrant of products whose labels include food uses. This subdivision shall not be construed to affect the timeframes established pursuant to Section 13127.

(2) No applicant for registration, or current registrant, of a pesticide who proposes to purchase or purchases a registered pesticide from another producer in order to formulate the purchased pesticide into an end use product shall be required to submit or cite data pursuant to this section or offer to pay reasonable compensation for the use of any such data if the producer is engaged in fulfilling the data requirements of this section.

(d) (1) If a registrant fails to submit the data requested by the director pursuant to this section within the time specified by the director, the director shall issue a notice of intent to suspend the registration of that pesticide. The director may include in the notice of intent to suspend any provisions that are deemed appropriate concerning the continued sale and use of existing stocks of that pesticide. Any proposed suspension shall become final and effective 30 days from the receipt by the registrant of the notice of intent to suspend, unless during that time a request for hearing is made by a person adversely affected by the notice or the registrant has satisfied the director that the registrant has complied fully with the requirements that served as a basis for the notice of intent to suspend. If a hearing is requested, a hearing 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 only matter for resolution at the hearing shall be whether the registrant has failed to take the action that served as the basis for the notice of intent to suspend the registration of the pesticide for which additional data is required and whether the director's determination with respect to the disposition of existing stocks is consistent with this subdivision.

(2) A hearing shall be held and a determination made within 75 days after receipt of a request for a hearing. The decision rendered after completion of the hearing shall be final. Any registration suspended shall be reinstated by the director if the director determines that the registrant has complied fully with the requirements that served as a basis for the suspension of the registration.

(e) If the department finds that any pesticide use represents a dietary risk that is deleterious to the health of humans, the department shall prohibit or take action to modify that use or modify the tolerance pursuant to Section 12561, or both, as necessary to protect the public.

SEC. 2. Section 13132 of the Food and Agricultural Code is amended and renumbered to read:

13135. The department and the State Department of Health

Services shall jointly review the existing federal and state pesticide registration and food safety system and determine if the existing programs adequately protect infants and children from dietary exposure to pesticide residues. The review shall commence as early as possible in 1990, so that any policy or administrative adjustments determined to be necessary as a result of the joint review can be made on a timely basis. The department shall consult with the University of California and other qualified public and private entities in conducting the joint review. The joint review shall continue for a sufficient time in order to evaluate the report of infant exposure to pesticide residues, which is presently being undertaken by the National Academy of Sciences. Within six months of the official release of the National Academy of Sciences' study, the department shall finalize a report describing the evaluation that was conducted pursuant to this section, including any recommendations for modification of the existing regulatory system in order to adequately protect infants and children. A copy of this report shall be submitted to the Governor and the Legislature.

CHAPTER 41

An act to amend Section 1151 of the Harbors and Navigation Code, relating to the Board of Pilot Commissioners.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 1151 of the Harbors and Navigation Code is amended to read:

1151. Each member of the board shall be a citizen of the United States and a resident of California. Each member appointed pursuant to paragraphs (1) and (3) of subdivision (a) of Section 1150 shall be a resident of one of the following counties: San Francisco, Alameda, Contra Costa, Marin, Sacramento, San Mateo, Santa Clara, Solano, San Joaquin, Napa, Sonoma, or Yolo. The member shall hold office during the pleasure of the power appointing the member, not to exceed four years from the date of the member's commission.

CHAPTER 42

An act to amend Sections 35, 50, 102, 103, and 104 of the Food and Agricultural Code, and to amend Section 11550 of the Government Code, relating to the Department of Food and Agriculture.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 35 of the Food and Agricultural Code is amended to read:

35. "Secretary" means the Secretary of Food and Agriculture.

SEC. 2. Section 50 of the Food and Agricultural Code is amended to read:

50. Whenever the term "department" or "Department of Agriculture" appears in any law, it means the "Department of Food and Agriculture."

Whenever the term "director," "secretary," "Director of Agriculture," or "Secretary of Agriculture" appears in any law, it means the "Secretary of Food and Agriculture."

Whenever the term "Agricultural Code" appears in any law, it means the "Food and Agricultural Code."

SEC. 3. Section 102 of the Food and Agricultural Code is amended to read:

102. The department is under the control of a civil executive officer known as the Secretary of Food and Agriculture who shall receive the salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code. He or she shall be appointed by, and hold office at the pleasure of, the Governor.

SEC. 4. Section 103 of the Food and Agricultural Code is amended to read:

103. Except as is otherwise provided in this chapter, Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code governs and applies to the conduct of the department in every respect the same as if those provisions were set forth in this code, and whenever in that chapter the term "head of the department" or similar designation occurs, for the purpose of this code it means the secretary.

SEC. 5. Section 104 of the Food and Agricultural Code is amended to read:

104. The secretary may appoint and in accordance with law fix the salaries of such assistants, deputies, agents, experts, and other employees as are necessary for the administration of the department.

SEC. 6. Section 11550 of the Government Code is amended to read:

11550. Effective January 1, 1988, an annual salary of ninety-one

thousand fifty-four dollars ($91,054) shall be paid to each of the following:

(a) Director of Finance.
(b) Secretary of Business, Transportation and Housing Agency.
(c) Secretary of Resources Agency.
(d) Secretary of Health and Welfare Agency.
(e) Secretary of State and Consumer Services Agency.
(f) Director of Industrial Relations.
(g) Commissioner of the California Highway Patrol.
(h) Secretary of Youth and Adult Correctional Agency.
(i) Secretary of Food and Agriculture.
(j) Secretary of Trade and Commerce Agency.

The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.

CHAPTER 43

An act to add and repeal Section 9394.5 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 9394.5 is added to the Welfare and Institutions Code, to read:

9394.5. (a) Each county shall deposit funds collected pursuant to Section 1465.5 of the Penal Code in its general fund, to be available for use only for the support of services provided under this chapter in that county, including county administrative costs not exceeding 10 percent of the funds collected, except as otherwise provided in this subdivision. A county may join with other counties to establish and fund a program of services under this chapter. A county or a number of counties may, in cooperation with the department, fund or jointly fund a project or projects pursuant to Section 9314.5.

(b) Funds utilized pursuant to this section shall not supplant, be offset against, or in any way reduce funds otherwise appropriated for the support of services provided under this chapter.

(c) This section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, 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 counties may receive and distribute needed funds for their institutionalization prevention programs at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 44

An act to amend Section 25182 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 25182 of the Health and Safety Code is amended to read:

25182. Every civil action brought under this chapter at the request of the department shall be brought by the city attorney, the county attorney, the district attorney, or the Attorney General in the name of the people of the State of California, and any such actions relating to the same processing or disposal of hazardous wastes may be joined or consolidated.

CHAPTER 45

An act to amend Section 8899.16 of the Government Code, relating to earthquake prediction.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 8899.16 of the Government Code is amended to read:

8899.16. (a) In order to expedite the development of emerging technologies and to encourage rapid technology transfer, grant awards shall be made to not more than five California companies to conduct feasibility studies that will evaluate new, innovative technologies to improve the understanding of impending earthquakes and their effects.

(b) The Office of Competitive Technology in the Department of Commerce shall implement this section with the advice of the Division of Mines and Geology in the Department of Conservation.

(c) The Legislature may fund additional studies in accordance with the five-year earthquake research plan developed pursuant to Section 8899.15.

(d) This section shall be implemented only to the extent that funds are available for its implementation.

CHAPTER 46

An act to repeal Section 5003.02 of the Public Resources Code, relating to the state park system.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 5003.02 of the Public Resources Code is repealed.

CHAPTER 47

An act to amend Section 27673 of the Health and Safety Code, relating to food facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 27673 of the Health and Safety Code is amended to read:

27673. (a) The following foods may be sold from vehicles in an unpackaged state, provided the storage, display, and dispensing methods are approved by the enforcement agency:

(1) Popcorn.

(2) Nuts.

(3) Produce.

(4) Pretzels and similar bakery products.

(5) Candy.

(6) Hot dogs.

(7) Snow cones.

(8) Whole fish and whole aquatic invertebrates.

(9) Frozen ice cream bars that meet the requirements of subdivision (d).

(10) Cappuccino, espresso, cafe latté, cafe macchiato, mocha, hot chocolate, and other coffee-based or cocoa-based beverages that may

contain cream, milk, or similar dairy products, to be made and immediately served to the consumer.

(b) Hot and cold beverages which are not potentially hazardous, as defined in Section 27531, may be sold from approved bulk dispensing units.

(c) (1) Vehicles selling or offering for sale nonprepackaged foods, as specified in subdivision (a), except produce and approved beverages made without cream, milk, or similar dairy products, shall be equipped with a food compartment as specified in subdivision (a) of Section 27675.

(2) In addition, those vehicles handling nonprepackaged hot dogs, popcorn, frozen ice cream bars, snow cones, or beverages described in paragraph (10) of subdivision (a) shall comply with subdivisions (b), (c), (d) and (e) of Section 27675.

(3) Vehicles selling unpackaged frozen ice cream bars and beverages described in paragraph (10) of subdivision (a) shall have overhead protection, utensils and equipment equal or equivalent to National Sanitation Foundation Standards, a commissary for cleaning utensils, compartments, and vessels used for product storage, and shall also meet all sanitary design and operating requirements of the local enforcement officials. Vehicles selling unpackaged frozen ice cream bars or holding cream, milk, or similar dairy products shall be equipped with refrigeration units, as described in Section 27534.

(4) Those vehicles handling unpackaged whole fish and aquatic invertebrates shall comply with subdivision (e) of Section 27675, for drainage of waste water from display and storage compartments.

(d) Frozen ice cream bars may be sold from vehicles in an unpackaged state if the frozen ice cream bars are prepackaged at a facility approved by the enforcement agency pursuant to subdivision (b) of Section 27672 and unpackaged for the purpose of adding condiments.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

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

In order to ensure the protection of public health and safety, it is necessary that uniform standards for sanitary conditions and refrigeration of dairy products used in food sale vehicles that provide coffee-based products be applied at the earliest possible time.

CHAPTER 48

An act to amend Section 74.3 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 74.3 of the Revenue and Taxation Code is amended to read:

74.3. (a) For purposes of subdivision (a) of Section 2 of Article XIII A of the California Constitution, "newly constructed" does not include the construction, installation, or modification of any portion or structural component of an existing single- or multiple-family dwelling which is eligible for the homeowner's exemption as described in Section 218, if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely and permanently disabled person who is a permanent resident of the dwelling.

(b) For purposes of this section, "a severely and permanently disabled person" is any person who has a physical disability or impairment, whether from birth or by reason of accident or disease, which results in a functional limitation as to employment or substantially limits one or more major life activity of that person, and which has been diagnosed as permanently affecting the person's ability to function, including, but not limited to, any disability or impairment which affects sight, speech, hearing, or the use of any limbs.

(c) For purposes of this section, "accessible" means that combination of elements with regard to any dwelling which provides for access to, circulation throughout, and the full use of, the dwelling and any fixture, facility, or item therein. The construction of an entirely new addition, such as a bedroom or bath, which duplicates existing facilities in the dwelling that are not otherwise available to the disabled resident solely because of his or her disability, shall be deemed to make the dwelling more accessible within the meaning and for the purposes of this section.

(d) The exclusion provided by this section shall apply only to those improvements or features that specially adapt a dwelling accessibility by a severely and permanently disabled person. The value of any improvement, addition, or modification excluded pursuant to this section shall not include any other functional improvement, addition, or modification to the property unless it is merely incidental to the qualified improvements or features.

(e) The exclusion provided by this section shall not apply to the construction of an entirely new dwelling.

(f) The construction, installation, or modification, with regard to

an existing building, for purposes of making the structure more accessible to a disabled person, shall be eligible for exclusion pursuant to this section only if the disabled person, or his or her spouse or legal guardian, submits to the assessor both of the following:

(1) A statement signed by a licensed physician or surgeon, of appropriate specialty which certifies that the person is severely and permanently disabled as defined in subdivision (b), and identifies specific disability-related requirements necessitating accessibility improvements or features.

(2) A statement that identifies the construction, installation, or modification that was in fact necessary to make the structure more accessible to the disabled person.

(g) The assessor may charge a fee to the disabled person or his or her spouse or legal guardian sufficient to reimburse the assessor for the costs of processing and administering the statement required by subdivision (f).

(f) This section shall apply to construction, installations, or modifications completed on or after June 6, 1990.

CHAPTER 49

An act to amend Sections 23357.2 and 23671 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 23357.2 of the Business and Professions Code is amended to read:

23357.2. (a) An out-of-state beer manufacturer's certificate may be issued by the department upon the written undertaking and agreement by the applicant:

(1) That it and its agents and all agencies within this state controlled by it will comply with all laws of this state and all rules of the department with respect to the sale of alcoholic beverages, including, but not limited to, Chapter 12 (commencing with Section 25000) of Division 9, and Section 25509, to the same extent as licensees.

(2) That it will make available, both in California and outside the state, for inspection and copying by the department, all books, documents, and records, located both within and without this state, which are pertinent to the activities of the applicant, its agents and agencies within this state controlled by it, in connection with the sale and distribution of its products within this state.

(b) The department may suspend or revoke an out-of-state beer manufacturer's certificate for cause 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 such other county seat in this state as the department determines to be convenient to the holder of an out-of-state certificate.

(c) The annual fees for an out-of-state beer manufacturer's certificate shall be determined by the department, and shall approximate the department's cost of investigation of the applicant and of issuance of such certificate.

(d) All money collected from the fees provided for in this section shall be deposited in the Alcohol Beverage Control Fund as provided by Section 25761.

SEC. 2. 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. The out-of-state vendor shall further agree that it and its agents and all agencies within this state controlled by it will comply with all laws of this state and all rules of the department with respect to the sale of alcoholic beverages, including, but not limited to, Chapter 12 (commencing with Section 25000) of Division 9, and Section 25509, to the same extent as licensees.

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.

CHAPTER 50

An act to amend Section 19355.5 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 19355.5 of the Welfare and Institutions Code is amended to read:

19355.5. Notwithstanding any other provision of law, effective the first day of the month after which this section is enacted, all rates established for the 1992–93 fiscal year pursuant to Section 19356 under this chapter for work-activity programs shall be reduced proportionately by the percentage necessary to effect a total savings of not less than four million seventy-one thousand dollars ($4,071,000) and not more than six million seven hundred seventy-eight thousand dollars ($6,778,000) of General Fund money. The department is encouraged to increase the number of individuals mutually served and the utilization of federal dollars, pursuant to subdivision (b) of Section 19356.6, to minimize this rate reduction in the 1992–93 fiscal year while achieving the required savings in General Fund money. Should the utilization of federal funds during the 1992–93 fiscal year so permit, the department may adjust the rate of each work-activity program prior to July 1, 1993, in an amount not to exceed the adjustment to be given effective July 1, 1993. Commencing July 1, 1993, the rate established for the 1992–93 fiscal year pursuant to this section shall be adjusted to the extent necessary to achieve a savings of six million seven hundred seventy-eight thousand dollars ($6,778,000) in the subsequent 12-month period. The rate in effect as of July 1, 1993, shall remain in effect until July 1, 1996.

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

In order to apply the provisions of this act to the entire 1993–94 fiscal year, and so facilitate the orderly administration of the system for providing rehabilitation services it is necessary that this act take effect immediately.

CHAPTER 51

An act to amend Sections 56170 and 56828 of the Education Code, relating to special education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 56170 of the Education Code is amended to read:

56170. The governing board of a school district shall elect to do one of the following:

(a) If of sufficient size and scope, under standards adopted by the board, submit to the superintendent a local plan for the education of all individuals with exceptional needs residing in the district in accordance with Section 56200.

(b) In conjunction with one or more districts, submit to the superintendent a local plan for the education of individuals with exceptional needs residing in those districts in accordance with Section 56200. The plan shall, through joint powers agreements or other contractual agreements, include all the following:

(1) Provision of a governance structure and any necessary administrative support to implement the plan.

(2) Establishment of a system for determining the responsibility of participating agencies for the education of each individual with exceptional needs residing within the special education local plan area.

(3) Designation of a responsible local agency or alternative administrative entity to perform such functions as the receipt and distribution of regionalized services funds, provision of administrative support, and coordination of the implementation of the plan. Any participating agency may perform any of the services required by the plan.

(c) Join with the county office, to submit to the superintendent a plan in accordance with Section 56200 to assure access to special education and services for all individuals with exceptional needs residing in the geographic area served by the plan. The county office shall coordinate the implementation of the plan, unless otherwise specified in the plan. The plan shall include, through contractual agreements, all of the following:

(1) Establishment of a system for determining the responsibility of participating agencies for the education of each individual with exceptional needs residing within the geographical area served by the plan.

(2) Designation of the county office, of a responsible local agency, or of any other administrative entity to perform such functions as the

receipt and distribution of regionalized services funds, provision of administrative support, and coordination of the implementation of the plan. Any participating agency may perform any of these services required by the plan.

(d) The service area covered by the local plan developed under subdivision (a), (b), or (c) shall be known as the special education local plan area.

(e) Nothing in this section shall be construed to limit the authority of a county office and a school district or group of school districts to enter into contractual agreements for services relating to the education of individuals with exceptional needs, subject to the following:

(1) Except for instructional personnel service units serving infants, the county office of education or school district that reports a unit for funding shall be the agency that employs the personnel who staff the unit, unless the combined unit rate and support service ratio of the nonemploying agency is equal to or lower than that of the employing agency and both agencies agree that the nonemploying agency will report the unit for funding.

(2) For the 1992–93 fiscal year only, paragraph (1) does not apply to instructional personnel service units that were operated and reported for funding by a nonemploying county office or school district during the 1990–91 fiscal year, if the total number of units operated under contract within the special education local plan area in the 1992–93 fiscal year does not exceed the total number operated under contract in 1990–91.

SEC. 2. Section 56828 of the Education Code is amended to read:

56828. (a) No educational programs already in operation in school districts pursuant to Part 30 (commencing with Section 56000) shall be transferred to the county superintendent of schools, or to other school districts, or from the county superintendent of schools to school districts, without the approval of the Superintendent of Public Instruction.

(b) The Superintendent of Public Instruction shall not approve a program transfer unless all of the following conditions have been met:

(1) A detailed plan has been developed that addresses, at a minimum, the following considerations:

(A) Pupil needs.

(B) Availability of the full continuum of services to affected pupils.

(C) Functional continuation of the current individualized education plans of all affected pupils.

(D) Provision of services in the least restrictive environment from which the affected pupils can benefit.

(E) Maintenance of all appropriate support services.

(F) Adherence to all state laws and regulations and special education local plan area policies.

(G) Representation of parents and staff in the planning process.

(2) The date on which the program transfer will take effect is no earlier than the first day of the second fiscal year beginning after the date on which the sending or receiving agency informed the other agency, in writing, of its intent to transfer the program, except that units being operated in 1992–93 by a local education agency, other than the one that is claiming them for state funding under contract arrangements, may be transferred immediately.

(3) The sending agency, the receiving agency, and the governing body of the special education local plan area of which the agencies are members, agree to the transfer. If only two of the three entities agree to the transfer, they may appeal to the superintendent to approve the transfer without the agreement of the third.

(c) If the transfer is approved, the Superintendent of Public Instruction shall ensure that the transfer does not result in an increase or decrease in cost to the state by recalculating the appropriate support service ratio and instructional personnel service unit rates of the receiving school district or county superintendent of schools as follows: determining a weighted average of the sending and receiving agencies' support service ratios and instructional personnel service unit rates that were applied to the units transferred and the units in operation at the receiving agency for the second principal apportionment immediately preceding the initial year of the program transfer. The recalculated ratio and unit rates thereafter shall become the support service ratio and instructional personnel service unit rates of the school district or county superintendent of schools operating the transferred program.

(d) If, as a result of a program transfer, no special education programs will be operated by a school district that has a local general fund contribution calculated pursuant to Article 6 (commencing with Section 56750) of this chapter, the Superintendent of Public Instruction shall adjust permanently the school district's base revenue limit by an amount equal to the local general fund contribution.

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

In order to ensure an equitable allocation of funds for the special education services already delivered in the 1992–93 fiscal year to individuals with exceptional needs, it is necessary that this act take effect before July 1, 1993.

CHAPTER 52

An act to add Sections 60326.1 and 60327.1 to the Water Code, relating to water.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 60326.1 is added to the Water Code, to read:

60326.1. Notwithstanding Section 60326, the operator of each water-producing facility in the Water Replenishment District of Southern California shall file with the district, by the last day of the month following the statement period, a sworn statement declaring all of the following:

(a) The facility's total groundwater production, measured in acre-feet, during the month preceding the filing of the statement.

(b) A general description or number locating the facility.

(c) The method used to compute the groundwater production.

(d) Other information that the district may require.

SEC. 2. Section 60327.1 is added to the Water Code, to read:

60327.1. Notwithstanding Section 60327, each producer shall pay the Water Replenishment District of Southern California a replenishment assessment, imposed pursuant to this act, in monthly installments due on the last day for filing the groundwater production statement required by Section 60326.1. The assessment amount shall be computed by multiplying the facility's stated groundwater production, measured in acre-feet, by the replenishment assessment rate imposed by the district board for the fiscal year in which the production occurs.

SEC. 3. The Legislature finds and declares that Sections 1 and 2 of this act, which are applicable only to the Water Replenishment District of Southern California, are necessary because of unique and special domestic water system problems in the area included in the district. It is, therefore, hereby declared that a general law, within the meaning of Section 16 of Article IV of the California Constitution, cannot be made applicable to the district and that the enactment of these special laws is necessary for the conservation, development, control, and use of that water by the district for the public good.

CHAPTER 53

An act to add Section 13556 to the Water Code, relating to water.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 13556 is added to the Water Code, to read:

13556. In addition to any other authority provided in law, any water supplier described in subdivision (b) of Section 1745 may acquire, store, provide, sell, and deliver reclaimed water for any beneficial use, including, but not limited to, municipal, industrial, domestic, and irrigation uses, if the water use is in accordance with statewide reclamation criteria and regulations established pursuant to this chapter.

CHAPTER 54

An act to amend Sections 15399.12 and 16429.34 of, to repeal Sections 6546.8, 6546.9, and 6546.10 of, and to repeal Chapter 7 (commencing with Section 15398) of Part 6.7 of Division 3 of Title 2 of, the Government Code, and to repeal Article 7.7 (commencing with Section 25392) of Chapter 6.8 of Division 20 of the Health and Safety Code, relating to state agencies.

[Approved by Governor June 29, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 6546.8 of the Government Code is repealed.

SEC. 2. Section 6546.9 of the Government Code is repealed.

SEC. 3. Section 6546.10 of the Government Code is repealed.

SEC. 4. Chapter 7 (commencing with Section 15398) of Part 6.7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 5. Section 15399.12 of the Government Code is amended to read:

15399.12. The department shall only make loan funds available to loan applicants which meet all of the following eligibility requirements:

(a) The loan applicant is a small business, as defined in subdivision (c) of Section 14837.

(b) The loan applicant owns or operates a project tank.

(c) Loan funds are not obtainable, upon reasonable terms, from private financial institutions, the California Pollution Control Financing Authority, or any other government agency.

(d) The loan applicant demonstrates the ability to repay the loan, and the availability of adequate collateral to secure the loan.

(e) All tanks owned or operated by the loan applicant are subject to compliance with Chapter 6.7 (commencing with Section 25280) of Division 20 of the Health and Safety Code and the regulations adopted pursuant to that chapter.

(f) The loan applicant has complied, or will comply, with the financial responsibility requirements specified in Section 25299.31 of the Health and Safety Code and the regulations adopted pursuant to this section.

SEC. 6. Section 16429.34 of the Government Code is amended to read:

16429.34. Twenty percent of the money deposited in the Future Infrastructure State Targeted Account shall be available for expenditure only for the following purposes and uses upon appropriation by the Legislature:

(a) Support of the California Export Finance Program Law (Chapter 5 (commencing with Section 15390) of Part 6.7 of Division 3).

(b) Support of the California Export Promotion and Policy Program (Chapter 1.9 (commencing with Section 15365) of Part 6.7 of Division 3).

(c) Support of the Foreign Market Development Export Incentive Program for California Agriculture Act, as established by Chapter 1189 of the Statutes of 1985.

SEC. 7. Article 7.7 (commencing with Section 25392) of Chapter 6.8 of Division 20 of the Health and Safety Code is repealed.

CHAPTER 55

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993]

I object to the following appropriations contained in Senate Bill 80.

Item 0250-001-001—For support of Judiciary. I delete Provision 2.

I am deleting Provision 2 because it improperly limits the authority of the Judiciary to internally allocate and reallocate funds. The Judicial Branch will require maximum flexibility in order to fulfill its constitutional mandate and to manage anticipated increases in caseload in the face of the reduced appropriation that has been granted.

The Judiciary, as an independent branch of government, has the power and duty to utilize appropriated resources in order to fulfill its constitutional functions and to manage its own affairs. Provision 2 would render the Judiciary unable to do so and thus is inconsistent with the constitutional separation of powers provision concerning Judicial Branch authority.

Item 0690-011-254—For transfer by the Controller from the Street and Highway Account, Natural Disaster Assistance Fund (Account No. 254) to the Public Facilities and Local Agency Disaster Response Account, Natural Disaster Assistance Fund (Account No. 251). I delete this item.

I am deleting this item to conform with the action taken in Item 0690-101-251 and Item 0690-101-254.

Item 0690-101-001—For local assistance, Office of Emergency Services. I delete Provisions 1 and 2.

I am deleting Provisions 1 and 2 of this item which authorize the use of monies in the Public Facilities and Local Agency Disaster Response Account, Natural Disaster Assistance Fund as appropriated in Item 0690-101-251 and in the Street and Highway Account, Natural Disaster Assistance Fund as appropriated in Item 0690-101-254 for any disaster and allows transfers between the two items. These accounts contain a mixture of funds derived from the quarter-cent sales tax dedicated to recovery from the Loma Prieta Earthquake and amounts transferred from the General Fund. These provisions were added by the Legislature to permit funds from the quarter-cent sales tax which are deposited in the Disaster Relief Fund to be used for disasters other than the Loma Prieta Earthquake.

I am deleting these provisions because the disbursement of Disaster Relief Fund revenues for any purpose other than the payment of claims resulting from the Loma Prieta Earthquake is prohibited by existing statute. Additionally, the quarter-cent sales tax and its related fund was created because of the extraordinarily high cost of the damages and expenses incurred as a result of the Loma Prieta Earthquake and should continue to be available for that purpose.

I recognize that this action will necessitate a transfer from the Special Fund for Economic Uncertainties pursuant to Government Code Section 8690.4 subdivision (e) to cover the State's share of disaster costs for disasters other than the Loma Prieta Earthquake in the 1993–94 fiscal year.

Item 0690-101-251—For local assistance, Office of Emergency Services. I delete this item.

The funds in the Public Facilities and Local Agency Disaster Response Account are continuously appropriated pursuant to Government Code Section 8690.2. It is necessary to retain this continuous appropriation feature to enable the provisions of Government Code Section 8690.4 to operate as needed to provide funds for local governments' disaster-related costs as quickly as possible during and after an emergency.

Item 0690-101-254—For local assistance, Office of Emergency Services. I delete this item.

The funds in the Street and Highway Account, Natural Disaster Assistance Fund are continuously appropriated pursuant to Government Code Section 8690.2. It is necessary to retain this continuous appropriation feature to enable the provisions of Government Code Section 8690.4 to operate as needed to provide funds for local governments' disaster-related costs as quickly as possible during and after an emergency.

Item 0695-001-372—For transfer by the Controller from the reserve of the Disaster Relief Fund to the General Fund. I delete this item.

I am deleting this item because the disbursement of Disaster Relief Fund revenues for any purpose other than the payment of claims resulting from the Loma Prieta Earthquake is prohibited by existing statute. Additionally, the quarter-cent sales tax and its related fund was created because of the extraordinarily high cost of damages and expenses incurred as a result of the Loma Prieta Earthquake and should continue to be available for that purpose.

Item 0820-001-001—For support of Department of Justice. I revise this item by deleting Provision 5.

I am deleting Provision 5 which would have required the redirection of $1 million General Fund to expedite fingerprint clearances processed by the department's fee supported applicant Fingerprint Program. This language would infringe upon the ability of the department and the Executive Branch to effectively manage limited General Fund resources. As an alternative, I have sustained a $2.5 million legislative augmentation from the Fingerprint Fee Account to reduce the turnaround time for clearance of fingerprint applications.

Item 0820-011-001—For support of the Department of Justice. I delete this item.

This item is unnecessary since Item 6110-002-001 provides sufficient authority for the transfer of resources from the Department of Education to the Department of Justice for the costs related to the state's defense in the *ABC Unified School District v. State of California.*

Item 0860-001-001—For support of Board of Equalization. I reduce this item from $155,639,000 to $154,739,000 by reducing:

(b) 300000 - Operating Expenses and Equipment from $62,082,000 to $61,182,000.

The Board of Equalization has indicated a reduction of $2,683,000 can be made to its budget with no adverse impact on its programs or revenue generating activities. The Legislature reduced only $1,783,000 and retained $900,000 and 15 positions for the Property Tax Program. Therefore, I am reducing the budget by $900,000 and 15 positions to capture the full amount of identified savings. I am reducing operating expenses and equipment because the funds for these positions were inadvertently added to the operating expense and equipment budget.

Item 0890-001-001—For support of Secretary of State. I delete Provision 1.

I am deleting Provision 1 because it prohibits the Secretary of State from scheduling any portion of the unallocated General Fund reduction from the support for the Political Reform Division. Given the magnitude of the reduction in this item and the nondiscretionary nature of the programs supported by the General Fund, this provision infringes upon the Secretary of State's ability to manage the fiscal resources provided by the Legislature.

Item 1140-002-326—For support of Athletic Commission. I delete Provision 2.

This provision would require the Director of the Department of Consumer Affairs to authorize a loan from the Vehicle Inspection and Repair Fund to the Athletic Commission Fund for fiscal year 1992-93 through 1995-96, inclusive, to provide the

Commission sufficient revenue to fund a $191,000 legislative augmentation to this item. I understand the augmentation is consistent with the Commission's historical spending level and I am supportive of allowing the Athletic Commission to increase expenditures to a level necessary to adequately regulate boxing and martial arts. Therefore, I am sustaining the augmentation in order to allow the Commission to expend at that level if appropriate legislation with support of the fee payers is passed which generates sufficient revenue.

However, Provision 2 of this item does not take into consideration the Commission's ability to repay the loan and would allow a level of expenditure that the Commission may not be able to support through its own revenues. This could result in a gift of funds from the Vehicle Inspection and Repair Fund to the Athletic Commission Fund which is not consistent with the laws creating these funds. The language is mandatory and provides for no review by the Department of Finance, unlike the loan authority contained in Section 14.00. The provisions of Section 14.00 are sufficient if the Commission requires a loan.

Item 1920-011-001—For transfer by the Controller to the Teachers' Retirement Fund from the General Fund. I delete this item and Provision 1.

This item provides a capped General Fund transfer for the Elder Full Funding Program. Any increase in the amount of General Fund needed, based on the statutory formula, would require an appropriation in legislation separate from the Budget Act. This requirement for separate legislation could potentially result in the program being underfunded. In *CTA v. Cory*, the Third District Court of Appeal established that in-lieu appropriations that underfund pension programs with vested benefits, which would otherwise be funded by continuous appropriation, constitute an unconstitutional violation of contract. Consequently, it is necessary to delete this Budget Act transfer item and retain the continuous appropriation for the General Fund transfer for this program.

Item 1920-012-001—For transfer by the Controller to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund from the General Fund. I delete this item and Provision 1.

This item provides a capped General Fund transfer for the Purchasing Power Program. Any increase in the amount of General Fund needed, based on the statutory formula, would require an appropriation in legislation separate from the Budget Act. This requirement for separate legislation could potentially result in the program being underfunded. Existing statutes obligate the State to repay the Teachers' Retirement Fund for prior advances made for this program. Failure to fund this program consistent with the statutory continuous appropriation could result in a claim to fulfill this obligation. Consequently, it is necessary to delete this Budget Act transfer item and retain the continuous appropriation for the General Fund transfer for this program.

Item 1970-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs. I delete Provision 1.

Chapter 557, Statutes of 1992 authorized the Department of Veterans Affairs to construct and establish a second veterans' home to be located in Southern California. It was the intent of this statute to commit the State's matching share of the project cost in a timely fashion to ensure federal funding for construction of this needed second veterans' home.

I am deleting Provision 1 because it would delay construction of this second veterans' home which will lead to the loss of the $20 million State Veterans Home Grant already provided by the United States Department of Veterans Affairs.

Item 2100-011-081—For support of the Department of Alcoholic Beverage Control Board. I delete this item and Provision 1.

I am deleting the $4,500,000 transfer from the Alcoholic Beverage Control Fund to the General Fund proposed by the Legislature. This transfer would leave the department with insufficient reserves to meet emergencies or contingencies which might occur during the fiscal year. Also, Chapter 900, Statutes of 1992, requires the department to transfer revenues from specified fees to the General Fund annually. For the 1993–94 fiscal year, the transfer pursuant to that legislation is estimated to be

$13,046,000. The remaining reserves should be retained to meet program needs.

I am deleting Provision 1 to conform to this action.

Item 2140-001-136—For support of Department of State Banking. I reduce this item from $15,164,000 to $15,163,000 by reducing:

(a) 10-Licensing and Supervision of Banks and Trust Companies from $14,631,000 to $14,630,000,

and by deleting Provision 1.

I am deleting Provision 1 because it requires the department to submit a joint report to the Joint Legislative Budget Committee, and to the respective fiscal and policy committees of the Legislature, on implementing the consolidation of lender-fiduciary and regulatory programs into a single department. The report would result in an unnecessary expenditure because this issue has already been studied sufficiently and it has been determined that such a consolidation would not be practical or appropriate.

I am reducing this item by $1,000 to reflect savings that will be achieved based on vetoing language contained in Provision 1 of this item.

Item 2180-001-067—For support of Department Corporations. I reduce this item from $28,115,000 to $28,114,000 by reducing:

(b) 20-Lender-Fiduciary Program from $11,427,000 to $11,426,000,

and by deleting Provision 1.

I am deleting Provision 1 because it requires the department to submit a joint report to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary and regulatory programs into a single department. The report would result in an unnecessary expenditure because this issue has already been studied sufficiently and it has been determined that such a consolidation would not be practical or appropriate.

I am reducing this item by $1,000 to reflect the savings that will be achieved based on vetoing language contained in Provision 1 of this item.

Item 2240-001-001—For support of Department of Housing and Community Development. I delete Provision 1.

I am deleting Provision 1 which requires the department to allocate $328,000 to the Rural Development Assistance Program (RDAP) from its 1993–94 General Fund support appropriation. This program was eliminated as a result of reductions pursuant to Section 3.90 of the 1992 Budget Act. Although I recognize the past effectiveness of this program in bringing economic development and housing resources to rural areas of the state, the program is not legislatively mandated and the department made the reduction only after careful consideration of all other available options. I have also been advised that recent revisions to the federally funded Community Development Block Grant and Home Investment Partnerships Act (HOME) programs will provide funding for technical assistance activities in areas previously served by RDAP. Since the department's appropriation was reduced by this Act, restoration of RDAP would likely require elimination of other legislatively mandated housing programs for which no alternative funding is available.

Item 2240-101-001—For local assistance, Department of Housing and Community Development. I delete Provision 1.

I am deleting Provision 1 which states that no farm worker housing center shall be closed as a result of budgetary reductions unless and until the department raises rents at farm worker centers to approximately the same level as charged by the Farmers' Home Administration (FmHA). This provision is unnecessarily restrictive and would impair the ability of the department to manage and administer the operations of its Office of Migrant Service (OMS) Centers in the most efficient manner possible. The Administration is committed to reviewing all opportunities to implement appropriate rent increases in the OMS Centers. However, such increases need to be considered on a case-by-case basis so as to not unduly or unfairly charge those individuals living at the centers. Therefore, this provision interferes with the Administration's ability to manage this program by restricting its management flexibility during these times of unprecedented fiscal constraints.

Item 2290-011-217—For transfer by the Controller from the reserve of the Insurance Fund to the General Fund. I delete this item.

I am deleting this item because the combination of the $6,985,000 transfer and the transfer of any reserves in excess of the proposed $956,000 cap on the Insurance Fund balance would not leave a sufficient operating reserve for the Department of Insurance, especially since the department's revenue collections fluctuate a great deal throughout the year. Additionally, retention of a prudent reserve will reduce the need for the Insurance Commissioner to increase license fees in order to maintain the funding necessary to cover expenditures authorized for departmental support and local assistance in the 1993–94 fiscal year.

Item 2320-001-317—For support of Department of Real Estate. I reduce this item from $25,552,000 to $25,551,000 by reducing:

(b) 20-Regulatory and Recovery from $15,191,000 to $15,190,000,

and by deleting Provision 1.

I am deleting Provision 1 because it requires the department to submit a joint report to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary and regulatory programs into a single department. The report would result in an unnecessary expenditure because this issue has already been studied sufficiently and it has been determined that such a consolidation would not be practical or appropriate.

I am reducing this item by $1,000 to reflect savings that will be achieved based on vetoing language contained in Provision 1 of this item.

Item 2340-001-337—For support of Office of Savings and Loan. I reduce this item from $450,000 to $449,000 by reducing:

(b) 300000-Operating Expenses and Equipment from $220,000 to $219,000,

and by deleting Provisions 1 and 2.

I am deleting Provision 1 which requires the Department of Corporations to provide funding from the Corporation Fund for expenses that exceed the amount appropriated to the Office of Savings and Loan. It is inappropriate to utilize Corporation Fund revenues, which are paid to the Department of Corporations for the purpose of funding the department's licensing and regulatory functions, to fund the Office of Savings and Loan. This administrative action is unnecessary. Funds appropriated for the administration of the Office of Savings and Loan should be adequate.

I am deleting Provision 2 because it requires the department to submit a joint report to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary and regulatory programs into a single department. The report would result in an unnecessary expenditure because this issue has already been studied sufficiently and it has been determined that such a consolidation would not be practical or appropriate.

I am reducing this item by $1,000 to reflect savings that will be achieved based on vetoing language contained in Provision 2 of this item.

Item 2600-001-046—For support of California Transportation Commission. I revise this item by deleting Provision 1.

I am deleting Provision 1 which would prohibit the Commission from using any funds appropriated in this item for out-of-state travel expenses and would limit in-state travel to no more than $55,000. This language constitutes an infringement on the separation of powers by limiting Executive Branch authority to effectively administer State Government.

Item 2660-001-042—For support of Department of Transportation. I revise this item by deleting Provisions 5 and 6.

I am deleting Provision 5 in order to correct a technical drafting error. This provision was deleted by the Conference Committee on the budget, but inadvertently included in the final budget bill.

I am deleting Provision 6, which would provide the Department the authority to provide a grant of $250,000 to San Jose State University for support of the International Institute for Surface Transportation Policy Studies (IISTPS). This grant request should be submitted for consideration through the normal budget development process so that it may be reviewed and evaluated in the context of competing needs for available funds.

Item 2660-125-042—For local assistance, Department of Transportation (Proposition 111). I reduce this item from $278,267,000 to $257,267,000 by reducing:

(c) 30-Mass Transportation from $93,767,000 to $72,767,000,

I am reducing this item by $21 million to correct a technical error in which Article XIX guideway funding, contained in subdivision (c) of this item, was inadvertently augmented by $21 million from the Transportation Planning and Development Account. This correction will maintain the Article XIX guideway funding and Transit Capital Outlay funding and provide the full $130 million Transportation Planning and Development Account backfill for the State Highway Account as contemplated by the Administration and the Legislature in the final budget agreement.

Item 2920-001-001—For support of California Trade and Commerce Agency. I reduce this item from $20,118,000 to $20,117,000 by reducing:

(a) 10-Economic Development from $7,992,000 to $7,991,000,

and by deleting Provisions 2, 3, and 4,

and by reducing Program 40 to reflect a technical correction;

(e) 40-Contracts, Grants, and Loans from $2,077,500 to $1,077,500.

I am deleting Provision 2, which states legislative intent that any reductions made to the appropriation in this item shall not be applied to the World Trade Commission program.

This language would interfere with the flexibility of the Administration to administer its programs and allocate reductions among programs on a priority basis. The Trade and Commerce Agency should be provided the opportunity to allocate reductions in a way that will maintain the highest priority programs and address the economic development needs of the state.

I am reducing this item by $1,000 and deleting Provision 3, which would require the Trade and Commerce Agency to develop a program to provide technical, financial, marketing, and management assistance to minority-owned, women-owned and disabled veteran-owned businesses to assist these businesses in competing for contracts, grants and projects.

The need expressed in this provision is currently being met and there is no need to establish a new program. The Trade and Commerce Agency currently offers numerous programs to these businesses through its Economic Development Programs and, in addition, the Office of Small Business provides this type of assistance to these businesses through the Small Business Development Centers, the Business Environmental Assistance Centers, and the Small Business Development Corporations. Therefore, this language is unnecessary.

I am reducing this item by $1,000 to reflect the savings that will be achieved based on vetoing language contained in Provision 3.

I am deleting Provision 4, which would prohibit the expenditure of $290,000 for the Small Business Loan Guarantee Program by the Trade and Commerce Agency if legislation to revise the program is not enacted. This language is an infringement on the separation of powers in that it interferes with the ability of the Executive Branch to administer its programs.

Item 2920-101-001—For local assistance, California Trade and Commerce Agency. I revise this item by deleting Provisions 4, 6, 7 and 8.

I am deleting Provision 4 which specifies that any reductions to the appropriation made by this item shall not be applied to the World Trade Commission program. I am taking this action to conform to my action on Item 2920-001-001, Provision 2.

I am deleting Provision 6 which would require the Trade and Commerce Agency to develop a program to provide technical, financial, marketing, and management assistance to minority-owned, women-owned and disabled veteran- owned businesses to assist these businesses in competing for contracts, grants and projects. I am taking this action to conform to my action in Item 2920-001-001, Provision 3.

I am deleting Provisions 7 and 8. Provision 7 would specify that $2.5 million of funds budgeted for the Strategic Technology Program shall only be available for defense base reuse, and can be used as state match for federal funds that can be used for base reuse.

Provision 8 would specify that $2 million of the funds budgeted for the Strategic Technology Program shall only be available upon enactment of AB 2222 of the 1993 Legislative session, and shall only be available for the purposes of the bill.

These provisions inappropriately limit the flexibility of the Trade and Commerce Agency by restricting the use of funds relating to defense industry conversion.

I recently issued an executive order establishing the Defense Industry Conversion and Technology Assessment Council. This is an interagency task force to guide the Administration's response to Federal defense conversion policies. The Council has identified $65 million in total state resources to match Federal Technology Reinvestment Projects funding. While providing assistance for the transition and reuse of closed bases is a high Administration priority, the language in Provision 7 would inappropriately limit the Administration's flexibility to provide matching grants for high value, technology-related jobs.

I object to Provision 8 because it is inappropriate to tie the budget to legislation which has not been enacted, however, my administration will continue to work with the Legislature and the Congressional delegation to develop a uniform California position on State and Federal defense conversion policies.

Item 3360-001-465—For support of State Energy Resources Conservation and Development Commission. I am making technical adjustments to this item by reducing:

(c) Special Items of Expense from $47,529,000 to $30,575,000,
(3) Energy Conservation Assistance Loans from $6,844,000 to $4,470,000, and eliminating,
(4) Geysers Effluent Pipeline Project $2,000,000,
(e) Amount payable from State Energy Conservation Assistance Account (Item 3360-001-033) from −$7,000,000 to −$4,626,000, and
(p) Amount payable from Local Government Geothermal Resources Revolving Subaccount (Item 3360-001-497) from −$2,108,000 to −$108,000,

and by deleting Provision 1 and revising Provision 3.

I am reducing these schedules to accurately reflect the intended action of the Legislature. These reductions do not reduce the total appropriation for this item.

I am deleting Provision 1 to conform to the action I have taken above.

I am revising Provision 3 to accurately reflect the intended action of the Legislature.

"3. Notwithstanding any other provision of law, the funds appropriated in Categories *y* (c) (2) ~~and (c)(10)~~ may be used by the commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission."

Item 3360-001-497—For support of State Energy Resources Conservation and Development Commission. I am making a technical adjustment by reducing this item from $208,000 to $108,000.

I am reducing this item to conform to the actions taken in Item 3360-001-465.

Item 3480-001-035—For support of Department of Conservation. I revise this item by deleting Provision 1.

I am deleting Provision 1 because the language is unnecessarily restrictive. It specifies that the remaining amount of $480,000 in the Mineral Land Classification Project, after the $660,000 Surface Mining and Reclamation Account (SMARA) funds reduction in lieu of a General Fund reduction, would be used for this project only. By making specific reductions of $660,000 to the Mineral Land Classification Project and restricting the use of the remaining funds, this provision interferes with the Administration's ability to manage its programs, and restricts my authority to administer a budget which reflects my spending priorities within the available resources.

Item 3540-101-235—For local assistance, Department of Forestry and Fire Protection. I delete this item.

I am deleting the $72,000 legislative augmentation to provide four remote automated weather stations for the East Bay Regional Park District. This project has not been reviewed and evaluated in the context of competing needs for this fund source.

Item 3600-001-200—For support of Department of Fish and Game. I reduce this item from $73,888,000 to $73,887,000 by reducing:

(a) 10-Enforcement of Laws and Regulations from $29,729,000 to $29,728,000, and deleting Provisions 4.5, 6 and 7.

I am deleting Provision 4.5, which restricts expenditures for legal services to the amount scheduled in the Legal Services Program, prohibits the transfer of funds into the Legal Services Program, and prohibits the expenditure of funds for the salaries of a Chief Counsel or other in-house legal counsel. This provision constitutes an infringement on the separation of powers provision concerning Executive Branch authority and interferes with the ability of the Department to manage its programs.

I am deleting Provision 6, which provides for the reduction of $4,819,000 if AB 899, or other legislation, is enacted to repeal authority to collect filing fees. Should such legislation be enacted, the Department of Fish and Game would need to reduce expenditures to reflect the actual reduction in revenue, which may not be the amount projected at this time. This provision is inappropriate since it would infringe on the Administration's ability to administer State programs.

I am deleting Provision 7, which provides that funds appropriated by this item may be expended only if the Department of Fish and Game works with county district attorneys to develop a plan to enhance funding to support prosecution by district attorneys of Fish and Game Code violations and to report to the Legislature on the status of the plan by December 31, 1993. I believe this Provision interferes with the Administration's ability to manage its programs and would invariably result in increased costs to the state. I am deleting $1,000 to reflect savings that will be achieved based upon the deletion of this provision.

Item 3600-002-200—For support of Department of Fish and Game. I revise this item by deleting Provision 2.

I am deleting Provision 2, which limits the expenditure of funds for support of the Natural Communities Conservation Planning Act program after January 1, 1994, unless the Director of Finance makes specified certifications by December 1, 1993. This provision is inappropriate because the time frame for the certifications is unrealistic and it would infringe on the Administration's ability to administer State programs. More importantly, most of the certifications required have been addressed by the federal listing of the California Gnatcatcher and the work of the State's Scientific Review Panel. Furthermore, it would be more appropriate for the Director of the Department of Fish and Game, rather than the Director of Finance, to submit such a report. Therefore, I am directing the Department of Fish and Game to provide a progress report in meeting the specified goals to the Legislature by December 1, 1993.

Item 3600-301-320—For capital outlay, Department of Fish and Game. I delete Provision 1.

I am deleting Provision 1 of this item because it may unnecessarily delay the construction of the Oiled Wildlife Rescue and Rehabilitation Station which could result in cost increases to the project.

Item 3640-001-140—For support of Wildlife Conservation Board. I reduce this item from $522,000 to $272,000.

I am deleting the $250,000 legislative augmentation for the Suisun Resources Conservation District. This project has not been reviewed or evaluated in the context of competing needs for Environmental License Plate Funds.

Item 3640-001-235—For support of Wildlife Conservation Board. I delete this item.

I am deleting this item to accurately reflect the intended action of the Legislature. This appropriation is unnecessary because the funds appropriated in this item duplicate funds appropriated in Item 3640-001-140 for the same purpose. I delete this item to eliminate that duplication.

Item 3640-001-447—For support of Wildlife Conservation Board. I revise this item by reducing:

(a) 10-Wildlife Conservation Board from $2,437,000 to $2,187,000,

(c) Amount payable from the California Environmental License Plate Fund (Item 3640-001-140) from −$522,000 to −$272,000,

and by deleting Provision 1.

I am revising this item to conform to actions taken in Item 3640-001-140.

Item 3680-001-516—For support of Department of Boating and Waterways. I reduce this item from $5,431,000 to $5,430,000 by reducing:

(d) 40.01-Administration from $999,000 to $998,000,

and by deleting Provision 1.

I am deleting Provision 1 which provides that the second half-year of expenditure authority for the department would not be available until the department submitted a consolidation feasibility report to the Legislature, as specified, by December 1, 1993. This provision interferes with the Administration's ability to manage its programs, and restricts my authority to administer a budget which reflects my spending priorities within the available resources. Additionally, the issue of reorganizing the Department of Boating and Waterways has been previously considered and the determination made that its functions are appropriately placed in the current organizational structure. I am reducing $1,000 from this item to reflect savings that will be achieved based on the deletion of this provision.

Item 3680-011-516—For transfer to the General Fund, Department of Boating and Waterways. I reduce this item from ($33,024,000) to ($26,141,000), and revise Provision 1.

I am deleting the $6,883,000 legislative augmentation which increases the transfer of Harbors and Watercraft Revolving Fund to the General Fund at the expense of reductions to local assistance and capital outlay projects. The recreational boaters of California have already contributed their fair share towards solving the General Fund's revenue shortfall by the $26,141,000 transfer from the Harbors and Watercraft Revolving Fund transfer to the General Fund proposed in my budget plan and retained in this item.

I am revising Provision 1 to conform to this action.

"1. Of the amount transferred in the 1993–94 fiscal year from the Motor Vehicle Fuel Account, Transportation Tax Fund to the Harbors and Watercraft Revolving Fund pursuant to Section 8352.4 of the Revenue and Taxation Code, the Controller shall transfer ~~$33,024,000~~ *$26,141,000* to the General Fund."

Item 3790-011-235—For support of Department of Parks and Recreation. I reduce this item from $2,468,000 to $2,369,000.

I am reducing this item by $99,000. Because revenues from this fund source are now expected to be lower than originally anticipated, this reduction is being made to ensure the financing of other priority appropriations from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund and to ensure the maintenance of a prudent reserve in that fund.

Item 3790-101-235—For local assistance, Department of Parks and Recreation. I delete this item.

I am deleting the $1,425,000 legislative augmentation for several local assistance grants because there are insufficient funds available in the Public Resources Account, Cigarette and Tobacco Products Surtax Fund to pay for these projects. The Legislature has overappropriated this fund source. Consequently, it is necessary to delete the augmentations proposed in this item so that the financing of originally proposed high priority appropriations can be ensured while maintaining a prudent reserve in the fund.

Item 3790-301-140—For capital outlay, Department of Parks and Recreation. I reduce this item from $1,999,000 to $499,000 by reducing:

(2) 90.BC.400-New Brighton SB: Porter-Sesnon Property-Acquisition, ($1,500,000), and by deleting Provision 1.

I am deleting the legislative augmentation of $1,500,000 for the New Brighton SB: Porter-Sesnon Property-Acquisition. While I support this acquisition, there are insufficient monies in the California Environmental License Plate Fund to finance other high priority expenditures and maintain a prudent reserve in the fund. I understand legislation will be introduced to replace the appropriation in this item with an appropriation of $1,500,000 from Park Bond funds.

I am deleting Provision 1 to conform to this action.

Item 3790-301-722—For capital outlay, Department of Parks and Recreation. I delete Provision 2.

Schedule (5) provides $500,000 for the Department to acquire park property that may be available through an opportunity purchase. Provision 2 would specify that these funds be used to acquire Burdell Island ($130,000) and Mt. Barney Island ($70,000).

I am deleting Provision 2 because projects should be submitted for consideration during the normal budget development process so they may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-301-786—For capital outlay, Department of Parks and Recreation. I reduce this item from $3,056,000 to $2,956,000 by deleting:

(12) 90.5X.205-Marconi Conference Center-Minor Projects ($100,000)

I am deleting the $100,000 legislative augmentation for the Marconi Conference Center from the California Wildlife, Coastal, and Park Land Fund of 1988. This project should be submitted for consideration during the normal budget development process so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3860-001-001—For support of Department of Water Resources. I am revising this item by reducing:

(a) 10-Continuing Formulation of the California Water Plan from $17,690,000 to $17,316,000, and

(p) Amount payable from the Renewable Resources Investment Fund (Item 3860-001-940) from −$2,548,000 to −$2,174,000.

I am revising this item to conform to the action taken in Item 3860-001-940.

Item 3860-001-940—For support of Department of Water Resources. I reduce this item from $2,548,000 to $2,174,000.

I am reducing this item by $374,000 to provide revised funding for programs and activities related to the Water Conservation Program. This revision is necessitated by a reduction in revenues from the Geothermal Resources Development Account which provides revenues to the Renewable Resources Investment Fund.

Item 3860-011-144—For transfer of $6,000,000 to the General Fund from the California Water Fund. I delete this item.

I am deleting this transfer from the California Water Fund because there is not an adequate reserve to fund the proposed transfer and to retain it would necessitate reductions to other high priority programs.

Item 3940-001-001—For support of State Water Resources Control Board. I revise this item by reducing:

(a) 10-Water Quality from $220,426,000 to $219,926,000,

(j) Amount payable from the Bay Protection and Toxic Cleanup Fund (Item 3940-001-282) from −$4,520,000 to −$4,020,000,

and by deleting Provision 3.

I am deleting the $500,000 legislative augmentation to conduct an epidemiological study to determine the health effects of urban runoff on swimmers at urban beaches. This study has not been reviewed and evaluated in the context of competing needs for funds from this source.

I am deleting Provision 3 which provides that the second half-year of expenditure authority for the Board would not be available until the Board had complied with Provision 2 of this item. This provision interferes with the Administration's ability to manage its programs, and restricts my authority to administer a budget which reflects my spending priorities within the available resources.

Item 3940-001-282—For support of State Water Resources Control Board. I reduce this item from $4,520,000 to $4,020,000 and delete Provision 1.

I am reducing this item by $500,000 to conform to the action I have taken in Item 3940-001-001.

I am deleting Provision 1 to conform to this action.

Item 4130-001-632—For support of Health and Welfare Agency Data Center. I delete Provision 3.

This provision restricts client agencies from determining the appropriate source of funding when considering participation in the pilot program and creates an undue hardship upon the Health and Welfare Agency Data Center to account for the Info/California pilot project apart from existing data services. The language also limits the content of data applications which could deter cities, counties and special districts from participating in the Info/California pilot project. Info/California can result in cost savings by reducing salary costs and providing a more efficient method of delivering State and local services to the people of California. In this year of reduced resources, client agencies will require maximum flexibility in order to fulfill their mandates and manage increasing workload.

Item 4200-101-001—For local assistance, Department of Alcohol and Drug Programs. I delete Provision 4.

Provision 4 would require the Department of Alcohol and Drug Programs to subvene to counties, pursuant to its existing subvention formula, any unexpended funds from Item 4200-101-001, Budget Act of 1992. Traditional practice is to revert any General Fund subvened to counties but not spent in the year for which it was intended. Given the current constraints on the General Fund, this practice must be continued with regard to savings from the 1992–93 fiscal year. However, I concur with the agreement which has been reached to statutorily expand the net negotiated amount pilot project statewide. This project will enable counties to retain unspent General Fund for approved program services beginning in 1993–94.

Item 4200-101-890—For local assistance, Department of Alcohol and Drug Programs. I delete Provisions 4 and 5.

Provision 4 would require the Department of Alcohol and Drug Programs to subvene to counties, pursuant to its existing subvention formula, any unexpended funds from Item 4200-101-890, Budget Act of 1992. The provision would create inequities among counties by precluding the Department from returning unspent funds to the county of origin. Additionally, it is inconsistent with the agreement reached that would statutorily expand the net negotiated amount pilot project and allow counties to retain unexpended funds for Alcohol and Drug Programs until the following year.

Provision 5 would require that the Department of Alcohol and Drug Programs reach agreement on the methodology for any program reductions with county and association program executives. This provision is likely to result in uncertainty and delays regarding the amount of the allocations to be provided to drug and alcohol treatment and prevention programs. This could, in turn, have a negative impact on client services. This provision unduly restricts the Department's ability to allocate funds. Notwithstanding this deletion, the Department will continue to work with the counties and interested providers on any allocation changes.

Item 4260-101-001—For local assistance, Department of Health Services. I reduce this item from $5,532,058,000 to $5,531,617,000 by reducing:

(a) 20.10.030-Benefits (Medical Care and Services) from $12,926,131,000 to $12,925,249,000, and

(e) Amount payable from the Federal Trust Fund (Item 4260-101-890) from −$8,087,651,000 to −$8,087,210,000.

I am reducing this Item by $441,000 and taking a corresponding action in Item 4260-101-890 by reducing $441,000 in federal funds to conform to my action taken in Item 4300-003-001 to delete the legislative augmentation for health benefits for Department of Developmental Services contracted janitorial employees.

Item 4260-101-890—For local assistance, Department of Health Services. I reduce this item from $8,087,651,000 to $8,087,210,000.

I am deleting the $441,000 legislative augmentation for health benefits for Department of Developmental Services contracted janitorial employees to correspond to my action on this issue in Item 4260-101-001.

Item 4260-111-001—For local assistance, Department of Health Services. I reduce this item from $254,859,000 to $253,058,000 by reducing:

(e) 10.30.060-AIDS from $70,014,000 to $70,013,000,

(f) 20.30-County Health Services from $27,404,000 to $25,604,000,

and by revising Provision 1(c).

I am reducing this item by $1,000 for the AIDS program due to language added by the Legislature which would have required the Office of AIDS to fund two projects which otherwise would not be eligible for funding because applications were not submitted for these projects. This action would take funding away from other meritorious projects which competed for resources through the appropriate available mechanism as well as from other higher priority projects of a statewide nature.

I am revising Provision 1(c) to conform to this action.

"1. (c) The Office of AIDS shall fund a media campaign, augment technical assistance, or fund the State Department of Education for a school-based AIDS education program only after funding is provided at the minimum level to (1) all proposals submitted in response to the Education and Prevention Request for Proposal by applicants that either (i) received a passing score, met other performance criteria, and received a notice of intent to award or (ii) received a passing score, met performance criteria, and were contractors during the 1992-93 fiscal year~~, and (2) all projects that operated a school based AIDS education pilot, were contractors during the 1992-93 fiscal year and met performance criteria~~."

I am deleting the legislative augmentation of $1,800,000 which would increase the funding made available for the County Medical Services Program. Due to limited state resources, this action is necessary to protect vital programs. Even with this reduction, the County Medical Services Program will receive $20.2 million from the General Fund. These resources, in conjunction with other state and local resources, should provide funding for necessary services while the State and counties continue to address long-term restructuring of the overall program.

Item 4300-003-001—For support of Department of Developmental Services, for Developmental Centers. I reduce this item from $14,877,000 to $14,809,000 by reducing:

(a) 20-Developmental Centers Program from $558,489,000 to $557,539,000, and

(b) Reimbursements from −$538,646,000 to −$537,764,000.

I am deleting the $950,000 legislative augmentation ($68,000 General Fund and $882,000 reimbursements) which was intended to fund health benefits for janitorial staff at the Developmental Centers. Contract janitorial staff have been employed at the Developmental Centers since January 1987. Since that time, contracts for these services have been awarded in accordance with existing State contract guidelines and policies which place responsibility for the provision of health benefits with the contractor. In view of these facts, and the ongoing fiscal crisis facing the State, I cannot approve this augmentation.

Item 5100-492—Reappropriation, Employment Development Department. I delete Provision 1 of this item.

I am deleting Provision 1 which provides for an allocation of $2,600,000 to fund the Industry Education Council of California's "Los Angeles Job Journal Employment Network" Program. While the objective of this program is admirable, this language would limit the use of funds already allocated and necessary to support training and employment services in connection with economic recovery from the civil unrest in the Los Angeles area. This provision restricts my authority to prepare a budget and administer programs in a manner which reflects spending priorities that have been jointly developed with the Los Angeles community. If additional funding becomes available, this proposal from the Council should be considered along with other proposals based on the merits of each and the needs of the community.

Item 5240-101-001—For local assistance, Department of Corrections. I reduce this item from $29,037,000 to $29,036,000 by reducing:

(b) 31-Community Correctional Program from $19,598,000 to $19,597,000,

and by revising Provision 1.

I am reducing this item by $1,000 and revising Provision 1(d) which would allow an exemption to the $59 per day cap on parolee detention costs for those local jurisdictions for which court orders produce detention costs above this level and would thereby increase expenditures from this item by at least $1,000. It would be administratively difficult to determine the actual amounts of such court mandated costs and would effectively hold counties partially harmless from the effects of lawsuits regarding jail management and conditions of confinement. This cap is intended as a fiscal incentive to counties to expedite the movement of prison bound inmates from expensive jail cells to less expensive state prison confinement. It would not be cost-effective to reimburse local jail costs at a daily rate which significantly exceeds the cost of housing an inmate in state prison.

"d. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of $59 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. ~~The Department of Corrections may reimburse a local jurisdiction at a higher daily detention cost rate, if that higher rate is based on a court order against the local government and results in daily operating expenses exceeding $59.~~ 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."

Item 5240-303-746—For capital outlay, Department of Corrections. I delete Schedules one through nine and Provision 4 of this item.

I am deleting the capital outlay project Schedule to allow for a single capital outlay appropriation for the preliminary plans, working drawings, and construction phases to construct an electrified perimeter fence system at the following institutions: California Correctional Center, Susanville; California Correctional Institution, Level III,

Tehachapi; California Correctional Institution, maximum A & B, Tehachapi; California State Prison, New Folsom; California Institution for Men, Chino; California State Prison, Solano; Richard J. Donovan Correctional Facility at Rock Mountain; Avenal State; and Chuckawalla Valley State Prison. As initially proposed, this project was sufficiently defined as a Capital Outlay Project for the nine institutions. Consequently, the site specific Schedule would unnecessarily restrict the department's ability to manage and construct this project in the manner in which it was proposed. In addition, it could result in increased project costs as well as jeopardize operational savings, based on the deactivation of guard towers, once this system is operational.

I am also deleting Provision 4 to conform to this action. However, consistent with the Legislature's intent, encumbrance of construction funding for the nine projects in this item will not proceed until the electrified fencing project at the Calipatria State Prison has been activated and the guard tower positions have been deactivated.

Item 5440-001-001—For support of the Board of Prison Terms. I reduce this item from $3,363,000 to $3,362,000 and delete Provision 1.

I am reducing this item by $1,000 and deleting Provision 1 because this language requires the Board to implement a new and unbudgeted program to notify each undocumented felon in State prison that he or she may be eligible to return to their country of origin and to encourage such felons to apply for such transfer, a process which will cost at least $1,000. However, because I support all efforts to reduce State costs for undocumented felons, I am also directing the Board of Prison Terms to assist the Department of Corrections in its efforts to obtain federal reimbursements for these costs and to facilitate the return of undocumented felons to serve their sentences in their home country.

Item 5460-001-001—For support of the Department of the Youth Authority. I reduce this item from $282,188,000 to $282,187,000 by reducing:

(b) 30-Parole Services from $38,545,000 to $38,544,000,

and by deleting Provisions 2, 3 and 5.

I am deleting Provision 2 which would require the Department of the Youth Authority to reinstate inspections of local juvenile detention facilities. My action is consistent with the agreement made with the Legislature for the 1992 Budget Act and with the legislation, Chapter 695 Statutes of 1992, which replaced the inspection process with a self-certification process which should be given a reasonable time to function so that its effectiveness can be evaluated.

Provision 3 would require the Department of the Youth Authority to contract with a private provider to identify alternative placement plans for up to 50 wards who would otherwise be committed to its facilities. Alternative placements for juvenile offenders are now addressed by the county probation departments and are considered by the courts prior to committing offenders to the Department. This provision would therefore impinge upon the authority of the courts to make such commitment decisions and lacks a statutory basis.

I am reducing this item by $1,000 and deleting Provision 5 which would require the Department of the Youth Authority to identify options that will result in the continued operation of county juvenile probation camps and ranches, an administrative process which is estimated to cost at least $1,000. The Department of the Youth Authority maintains an ongoing dialogue with representatives of local law enforcement, juvenile probation and juvenile courts on placement options for juvenile offenders which makes this language unnecessary. The need for a formal report to the Legislature is further mitigated by the provision of an additional $33,000,000 for county juvenile camps and ranches in Item 5460-101-001 which I have agreed to sustain.

Item 6110-001-001—For support of Department of Education. I delete Provision 13.

I am deleting Provision 13 which would specify that no funds shall be made available to the State Board of Education if any Department of Education positions are

transferred or otherwise assigned or redirected to the Board, other than those positions that were assigned to the Board in 1992–93.

This language could inappropriately prevent the Board from performing its constitutionally-mandated activities.

Item 6110-001-890—For support of Department of Education. I delete Provision 8.

I am deleting Provision 8 to conform to the action I have taken in Item 6110-001-001.

Item 6110-161-001—For local assistance, Department of Education (Proposition 98), Program 10.60—Special Education Programs for Exceptional Children. I revise Provision 12.

Provision 12 specifies that $17,556,000 is to be expended for special education entitlements and shall not be applied toward program growth units. This augmentation was necessary to fund the statutory entitlement for special education and was based on prior year entitlement increases. I am reducing the specified amount in this provision to $16,417,000 because increases in budget year property taxes allocated to special education programs reduces the amount of General Fund necessary for this program. This language change conforms to dollar changes already reflected in the appropriation total.

"12. Of the funds appropriated in this item, ~~$17,556,000~~ *$16,417,000* shall be expended to fund special education entitlements for the 1993–94 fiscal year at the level at which those entitlements were calculated for each recipient for the 1992-93 fiscal year. This expenditure shall not be applied to fund program growth between the 1992–93 fiscal year and the 1993–94 fiscal year."

Item 6110-161-890--For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children. I revise Provision 11.

Provision 11 would allow no more than $16,684,932 of PL 94-142 funds be expended for the federal special education preschool program. Current statute requires that this program be terminated if not fully funded through federal sources. By using PL 94-142 supplemental grant increases to fund a portion of this program, California has been able to continue to provide the necessary services to disabled preschool children. The language added by the Legislature could jeopardize the State's ability to dedicate the amount of funding needed to continue this preschool program for disabled children.

"11. ~~No more than $16,684,932 of the federal funds made available under Public Law 94-142 shall be expended for purposes of the special education Preschool Program.~~ The Department of Education shall develop a proposal to ensure that Preschool Program expenditures do not exceed the amount of funding made available in this item, and, no later than January 1, 1994, shall submit to the Joint Legislative Budget Committee a report describing that proposal."

Item 6110-166-890—For local assistance, Department of Education. I delete Provision 4.

I am deleting Provision 4 which would require local educational agencies in receipt of specified federal vocational education funds to expend the funds for vocational education services for disabled pupils. While I am interested in ensuring that the vocational education needs of disabled pupils are met, the sponsors who requested that the Legislature add this language have since recognized that this requirement is not in conformance with the State plan for vocational education and could generate a federal audit exception. A federal audit exception could result in the loss of some or all of these federal funds. Therefore, the sponsors have indicated that this language is not needed, and that they have arrived at an administrative solution to this issue.

Item 6440-301-791—For capital outlay, University of California. I delete this item and Provision 1.

I am deleting funding for the environmental impact report of the proposed "Tenth Campus" since the U.C. Regents have indicated they will not be pursuing the addition of this new campus in the immediate future.

I am deleting Provision 1 to conform to this action.

Item 6610-001-001—For support of the California State University. I revise Provision 1 and delete Provision 5.

I am revising Provision 1 which would require the California State University to notify the Legislature at least 30 days prior to any action increasing compensation. I believe this language is unduly restrictive and could hamper the ability of the California State University Trustees to manage their affairs in the most effective manner possible. Flexibility is especially important in this time of fiscal constraints.

"1. The appropriations in this item are exempt from Section 31.00 of this act, except as provided by the applicable sections of the Government Code referred to in Section 31.00. ~~If the California State University elects to expend funds appropriated in this item for increases in salary ranges or any other employee compensation purpose in the 1993–94 fiscal year, the university shall provide written notification, at least 30 days prior to implementation of that decision, to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or within any lesser time as determined by the Chairperson of the Joint Legislative Budget Committee or his or her designee. This written notification shall describe in detail the proposed increases in salary ranges or other employee compensation proposed to be funded and the associated cost, and shall indicate whether that action will result in the requirement of additional funding for the 1994–95 fiscal year. If additional funding will be required for this purpose for the 1994–95 fiscal year, the written notification shall include an estimate of the amount of that funding and the university's intended source for that funding.~~"

I am deleting Provision 5. This provision would restrict the flexibility of the Trustees to effectively and most efficiently administer the funding appropriated to the California State University.

Item 6870-301-705—For capital outlay, Board of Governors of the California Community Colleges. I delete Provision 1.

I am deleting Provision 1 which relates to the Grossmont-Cuyamaca Campus Entrance project because it would unnecessarily delay the construction of this project.

Item 6870-301-791—For capital outlay, Board of Governors of the California Community Colleges. I am allowing the funding for these equipment requests to stand because of extraordinary circumstances, particularly those related to the availability of job-training opportunities in the Rebuild LA area. Nonetheless, I have serious concerns about the policy implications of this decision and do not wish for anyone to think otherwise. The state's policy has been that funding for replacement equipment not directly related to capital outlay projects should be provided by the support budgets of the institutions, rather than the state.

Although I am allowing these projects to retain funding, I do not intend to support similar requests in the future.

Item 7980-001-001—For support of the Student Aid Commission. I reduce this item from $3,169,000 to $3,094,000 by reducing:

(a) 15-Financial Aid Grants Program from $3,230,000 to $3,155,000,

and by deleting Provision 1.

I am deleting the legislative augmentation of $75,000 and 1.5 personnel years, which would provide funding for six months of administrative expenses for the proposed California Work-Study and Community Services Program. While the goal of the proposed program is worthwhile, it would be more appropriate to include funds for administrative expenses in the pending legislation that would establish the California Work-Study and Community Service program.

I am deleting Provision 1 to conform to this action.

Item 8100-011-241—For transfer from the Local Public Prosecutors and Public Defenders Training Fund to the General Fund. I delete this item.

I am deleting this item, which would transfer $142,000 from the Local Public Prosecutors and Public Defenders Training Fund to the General Fund, because such a transfer would unnecessarily intrude on the ability of the Office of Criminal Justice Planning to properly manage this training fund. This amount represents a reasonable and minimum prudent reserve.

Item 8100-490--Reappropriation, Office of Criminal Justice Planning. I delete this Item.

Gang activity inflicts great pain and suffering upon California's communities. The costs in terms of lost lives, increased crime, and wasted opportunity for our youth is staggering. In Los Angeles County alone, it is estimated that there are over 100,000 active gang members.

It is critical that the State assist local communities to develop innovative solutions that support and encourage alternatives to gangs for our youth. The Office of Criminal Justice Planning (OCJP) has undertaken a new effort to fund anti-gang suppression activities statewide. It is my belief that a primary focus of our efforts must be Los Angeles County, where the gang problem is most severe.

Accordingly, I support the goals of Hope in Youth to provide alternatives to youth who wish to leave gangs through strengthening and empowering families and community in Los Angeles. However, I am concerned that the Conference Committee chose to provide funds to Hope in Youth at the expense of worthwhile proposals submitted to OCJP by other needy communities.

Therefore, I am deleting this item with the following instructions. I have directed the OCJP to award $400,000 of these funds in the 1992–93 fiscal year to the Hope in Youth Campaign. I have also directed the OCJP to allocate the remaining $2.0 million consistent with the original plan developed jointly by the Administration and members of the Legislature to promote drug-free environments through joint school and law enforcement community revitalization efforts. Further, I am willing to sign separate legislation that provides $1.6 million in additional state support to Hope in Youth beyond this initial $400,000 appropriation.

Item 8350-001-913—For support of Department of Industrial Relations. I reduce this item from $884,000 to $883,000, and delete Provision 3.

I am deleting Provision 3 which would require the Department to provide funding within its existing resources for the operation and maintenance of a permanent automated data base to assist the Targeted Industries Partnership Program (TIPP) in its investigative and enforcement activities. I am reducing this item by $1,000 to reflect the minimum costs necessary to begin to meet this requirement. The proposed data base could cost as much as the entire amount budgeted for TIPP. Therefore, compliance with this language could preclude the Department from conducting enforcement and investigative activities. The automation proposal should be thoroughly reviewed through the Feasibility Study Report process by the Department of Finance to evaluate both its fiscal and program implications and to determine the most appropriate automation approach.

Item 8660-001-412—For support of Public Utilities Commission. I delete Provision 1.

This provision would require the Public Utilities Commission to prepare, without resources, an audit of the unfunded rail safety program (Fund 461) by December 1, 1993.

I am deleting Provision 1 because the Public Utilities Commission would have no resources to prepare the audit or to implement the audit recommendations.

Item 8730-001-001—For support of Commission on State Finance. I reduce this item from $710,000 to $178,000 by reducing:

(a) 10-Commission on State Finance from $710,000 to $178,000.

I am substantially reducing funding for this Commission with the intent that the Commission phase out its operations by the end of the first quarter of this fiscal year. This action is consistent with efforts to downsize state government and eliminate boards and commissions which duplicate the functions of other state agencies. I am leaving $178,000 in this item, however, so that the Commission can liquidate any obligations incurred during the phase-out of the Commission.

Item 8885-111-001—For local assistance, Commission on State Mandates (Proposition 98). I reduce this item from $136,214,000 to $130,579,000 by deleting:

(10) 61.00.089.477-Proficiency in Basic Skills ($5,635,000),

and by deleting Provision 5.

I am deleting schedule (10) and reducing the item by $5,635,000 as a technical correction in order to conform with the Legislature's action in Senate Bill 399 of repealing the "Proficiency in Basic Skills" mandate by deleting the funding for that mandate in this item. I understand that it was legislative intent to delete funding in this budget item consistent with its action to repeal the mandate but that the $5,635,000 was inadvertently printed in error in the budget bill.

I am deleting Provision 5 which would prohibit any of the funds appropriated in Schedule (11) of this item to reimburse school districts for their costs of mandated collective-bargaining activities under the Rodda Act from being used by any district with an average daily attendance of 20,000 or more to contract for professional or legal consultant services in the areas of negotiations, mediation, or impasse procedures.

I am deleting this provision because it would unduly restrict a school or community college district's authority to consider operational alternatives which may prove to be beneficial and less costly to them and, ultimately, to the State. This restriction is inconsistent with current law which allows each district to choose how it will conduct labor negotiations. I am not aware of any analysis which indicates that obtaining these services under contract is less effective or more expensive than obtaining them in some other manner.

Item 8940-001-001—For support of Military Department. I delete Provision 3.

I am deleting Provision 3 which would suspend the temperature requirements to operate the Temporary Emergency Shelter program. This program is operated under the executive authority of the Administration, and therefore does not require legislative authority to change temperature requirements.

Item 9896-011-164—For transfer to the General Fund. I reduce this item from ($10,032,000) to ($9,782,000).

I am reducing the transfer to the General Fund in order to maintain a prudent reserve of $250,000 to address any augmentations that may arise from the capital outlay projects funded from the Outer Continental Shelf Lands Act Section 8(g).

SEC. 6.10—Related to maintenance funding. I delete this Control Section.

This section would require that funds included in any appropriation in this Act that are to be expended to maintain state facilities or infrastructure shall not be used for any other purpose.

I am deleting the section because it would limit flexibility and options in managing operations at a time when departments are being asked to manage within reduced fiscal resources.

SEC. 9.10—Related to the Supplemental Report of the Committee on Conference on the Budget Bill. I delete this Control Section.

I am deleting this section because to do otherwise would imply that I concur with the contents of this report. It is unreasonable to expect State agencies to respond to special requests during a year when budget reductions severely impact their ability to perform required statutory duties.

SEC. 11.50—Transfers pursuant to Section 6217 of the Public Resources Code.

I am revising Section 11.50 by reducing the amount of Tidelands Oil Revenue to be allocated to the General Fund from $54,217,000 to $51,000,000, as follows:

(d) Notwithstanding any other provision of law, the sum of ~~fifty-four million two hundred seventeen thousand dollars ($54,217,000)~~ *fifty-one* million dollars ($51,000,000) shall be allocated to the General Fund for the 1993–94 fiscal year from *tidelands oil revenue otherwise* subject to Section 6217 of the Public Resources Code.

This reduction will provide for a prudent reserve to meet any unanticipated cost increases for capital outlay projects funded from this fund source in the current and budget years.

SEC. 12.32—Proposition 98. I revise this Control Section by deleting subsections (e) and (g).

I am deleting the language in subsection (e) which would defer the 1993–94 loan repayment for the Perris Union High School District. Due to a feeder elementary district's unification, Perris Union saw a decline in average daily attendance (ADA) and requested assistance from the State for the 1991–92 fiscal year. The 1991 Budget Act provided such assistance in the form of an artificial increase to the district's ADA for that year, with a reduction to ADA, as a loan repayment, over the subsequent five years. It is my understanding that the district's financial plan provides for a 1993–94 loan repayment while maintaining a balanced budget. Based on such evidence, and a commitment by the district to the initial agreement, I believe that the repayment schedule should be followed.

I am deleting the language in subsection (g) that would provide a permanent necessary small school augmentation for the Hemet Unified School District. Previous legislation provided such an augmentation for the Hamilton School in that district for fiscal years 1991–92 through 1993–94 only. The district's size would preclude it from receiving this additional revenue otherwise. In keeping with the provisions of the original legislation, and in view of the size of Hemet Unified, placing it well over the necessary small school eligibility threshold, the district should manage its budget based on the regular per pupil base revenue limit, as is the case for other districts of similar size.

SEC. 13.81—Related to transfer to the General Fund of the unencumbered balances of specified funds as of June 30, 1994. I revise this Control Section by deleting the following Schedules:

(1) 251—Public Facilities and Local Agency Disaster Response ($969,000),

(2) 254—Street and Highway Account (NDAF) ($1,044,000).

The funds in the Public Facilities and Local Agency Response Account and the Street and Highway Account, Natural Disaster Assistance Fund, by June 30, 1994 will consist entirely of money derived from the Disaster Relief Fund. The Disaster Relief Fund contains the proceeds of the quarter cent sales tax which is dedicated to recovery from the Loma Prieta Earthquake. The quarter-cent sales tax and its related fund was created because of the extraordinarily high cost of damages and expenses incurred as a result of the Loma Prieta Earthquake and should continue to be available for that purpose.

SEC. 21.50—Related to AIM funding redirected to the Child Health and Disability Prevention Program (CHDP). I delete this Control Section.

I am deleting this Control Section because it would transfer $4,000,000 from the Access for Infants and Mothers (AIM) program administered by the Major Risk Medical Insurance Board to the Child Health and Disability Prevention Program administered by the Department of Health Services. The AIM program has demonstrated its value by providing subsidized health insurance for lower income pregnant women and their infants, thus improving the health outcomes for those infants. Since the AIM program opened for enrollment in January, 1992, over 10,000 women and 4,500 infants have been enrolled. This redirection of AIM funding would jeopardize the program's ability to expand enrollment. My veto has the potential to cause a General Fund deficiency in the CHDP program, and that possibility will be assessed as caseload estimates are reviewed this Fall.

SEC. 31.50—Related to the elimination of General Fund positions vacant from July 1, 1992 to March 15, 1993. I delete this Control Section.

I am deleting this section as there could be legal consequences if a department made a hiring commitment, or subsequent to March 15, 1993, filled one of the positions. Further, existing statute already provides for elimination of positions which are continuously vacant for the last nine months of a fiscal year.

With the above deletions, revisions and reductions, I hereby approve Senate Bill 80.

PETE WILSON, 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 1993."

SEC. 1.25. Notwithstanding any other provision of law, including, but not limited to, Section 13308 of the Government Code or any other provision of Chapter 458 of the Statutes of 1990, no further reductions shall be made to General Fund appropriations on July 1, 1993, pursuant to Chapter 458 of the Statutes of 1990.

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 provision of this act, the Department of Finance may revise the schedule of any appropriation made in this act where the revision is of a technical nature and is consistent with legislative intent. These 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. These 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 subdivision (d), approves the schedule or revision of any appropriation relating to the elimination of amounts payable, the language authorizing the transfer shall also be eliminated.

SEC. 2.00. (a) 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 1993–94 fiscal year beginning July 1, 1993, and ending June 30, 1994. All of these appropriations, unless otherwise provided herein, shall be paid out of the General Fund in the State Treasury.

(b) Appropriations and reappropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1993–94, 1994–95, and 1995–96 fiscal years, except that appropriations and reappropriations for studies, planning, working drawings, or minor capital outlay, except as provided herein, shall be available for expenditure only during the 1993–94 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, 1994, except as provided herein, shall revert as of that date to the fund from which the appropriation was made.

(c) 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 therein ap-

propriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

(d) 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		49,965,000
Schedule:		
(a) 101001-Salaries of Senators	2,843,000	
(b) 317295-Mileage	4,000	
(c) 317292-Expenses	882,000	
(d) 500004-Operating Expenses	45,831,000	
(e) 317296-Automotive Expenses	405,000	
Provisions:		
1. The funds appropriated in Schedule (d) are for operating 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 expenses of the Legislature, to be transferred by the State Controller to the Senate Operating Fund.		
2. The funds appropriated in Schedule (e) are for operating 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 Operating Fund.		
4. The funds appropriated by Schedules (a), (b), (c), and (e) may be transferred to the Senate Operating Fund.		
0120-011-001—For support of Assembly		70,714,000
Schedule:		
(a) 101001-Salaries of Assemblymembers	5,521,000	
(b) 317295-Mileage	8,000	
(c) 317292-Expenses	1,890,000	
(d) 500004-Operating Expenses	62,623,000	
(e) 317296-Automotive Expenses	672,000	
Provisions:		
1. The funds appropriated in Schedule (d) are for operating expenses of the Assembly, including personal services for officers, clerks, and all		

Item Amount

other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, and for support of joint expenses of the Legislature, to be transferred by the State Controller to the Assembly Operating Fund.

2. The funds appropriated in Schedule (e) are for operating 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 Operating Fund.
4. The funds appropriated by Schedules (a), (b), (c), and (e) may be transferred to the Assembly Operating Fund.

0130-021-001—For support of the Office of the Legislative Analyst 0

Schedule:

(a) Expenses of the Office of the Legislative Analyst 3,428,000
(b) Transferred from Item 0110-001-001 ..... −1,714,000
(c) Transferred from Item 0120-011-001 ..... −1,714,000

Provisions:

1. The funds appropriated in Schedule (a) are for the expenses of the Office of the Legislative Analyst and for any charges, expenses, or claims it may incur, available without regard to fiscal years, to be paid on certification of the Chairperson of the Joint Legislative Budget Committee.
2. Funds shown in Schedules (b) and (c) may be transferred from the Assembly Operating Fund, by the Assembly Committee on Rules, and the Senate Operating Fund, by the Senate Committee on Rules.
3. If the Legislature does not provide cost-of-living increases to its employees during the 1993–94 fiscal year, the funds budgeted for this purpose in Schedule (a) shall be adjusted accordingly and the amounts transferred for this purpose in Schedules (b) and (c) shall revert to the operating fund from which the funds were transferred.

Item		Amount
0160-001-001—For support of Legislative Counsel Bureau		52,498,000
Schedule:		
(a) Support	52,629,000	
(b) Reimbursements	−131,000	

Judicial

0250-001-001—For support of Judiciary		137,759,198
Schedule:		
(a) 10-Supreme Court	18,215,900	
(b) 20-Courts of Appeal	103,489,250	
(c) 30-Judicial Council	27,457,245	
(d) 40-Commission on Judicial Performance	1,403,000	
(dx) Unallocated reduction	−11,721,197	
(e) Reimbursements	−835,000	
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-044)	−123,000	
(g) Amount payable from the Court Interpreters Account (Item 0250-001-327)	−127,000	

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. It is the intent of the Legislature that any reduction made to the funds appropriated in this item shall not be applied to the Appointed Counsel Program.

0250-001-044—For support of Judiciary, for payment to Item 0250-001-001, payable from the Motor Vehicle Account, State Transportation Fund	123,000
0250-001-327—For support of Judiciary, for payment to Item 0250-001-001, payable from the Court Interpreters Account	127,000
0250-490—Reappropriation, Judiciary. Of the balance of the appropriation provided in the following citation, $131,870 is reappropriated to extend the liquidation period for training and maintenance of a computer upgrade system.	

Item	Amount
001—General Fund	
(1) Item 0250-001-001, Budget Act of 1990, Schedule 30.	
0390-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court justices.....	2,525,000
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.....	49,975,000
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.	
0450-101-001—For local assistance, State Block Grants for Trial Court Funding, for implementation of the Trial Court Funding Program as authorized in Chapter 13 (commencing with Section 77000) of Title 8 of the Government Code.	436,872,000
Schedule:	
(a) 10-Block Grants for Trial Courts..	527,984,000
(b) 25-Salaries of Superior Court Judges	74,848,000
(c) 35-Assigned Judges.....	10,002,000
(d) Reimbursements.....	−962,000
(e) Amount payable from Trial Court Trust Fund (Item 0450-101-932).....	−175,000,000
Provisions:	
1. The amount appropriated in Schedule (a) shall be allocated pursuant to enactment of separate legislation.	
2. 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.	
0450-101-932—For local assistance, Block Grants for Trial Courts, for payment to Item 0450-101-001 payable from Trial Court Trust Fund.....	175,000,000

Item		Amount
Provisions: 1. Funds shall be allocated to option counties based on a formula to be determined in subsequent legislation. 2. All moneys deposited in the Trial Court Trust Fund, including moneys in excess of the $175,000,000 appropriated by this item, shall be allocated to the trial courts in accordance with the court financing provisions adopted by the Trial Court Budgeting Commission as approved by the Legislature.		
Executive		
0500-001-001—For support of Governor and of Governor's office		5,517,000
Schedule:		
(a) Support	5,517,000	
0510-001-001—For support of Secretary for State and Consumer Services		717,000
Schedule:		
(a) Support	1,178,000	
(b) Reimbursements	−461,000	
0520-001-044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund		683,000
Schedule:		
(a) 10-Administration of Business, Transportation and Housing Agency	1,692,000	
(b) Reimbursements	−1,009,000	
0530-001-001—For support of Secretary for Health and Welfare		1,119,000
Schedule:		
(a) 10-Secretary for Health and Welfare	1,779,000	
(ax) Unallocated Reduction	−124,000	
(b) Reimbursements	−536,000	
0540-001-001—For support of Secretary for Resources		1,150,000
Schedule:		
(a) 10-Administration of Resources Agency	1,915,000	
(b) Reimbursements	−461,000	
(c) Amount payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund (Item 0540-001-164)	−196,000	

Item	Amount
(d) Amount payable from the Environmental Enhancement and Mitigation Demonstration Program Fund (Item 0540-001-183) ..	−108,000
0540-001-164—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund	196,000
0540-001-183—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund	108,000
0550-001-001—For support of the Secretary for the Youth and Adult Correctional Agency, Program 10	866,000
0555-001-100—For support of Secretary for Environmental Protection, payable from the California Used Oil Recycling Fund	638,000
Schedule:	
(a) Support	2,587,000
(b) Reimbursements	−1,704,000
(c) Amount payable for the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-011-387) ...	−245,000

Provisions:

1. Notwithstanding paragraph (2) of subdivision (a) of Section 48653 of the Public Resources Code, funds appropriated in this item shall be available for purposes of administration.
2. The Assistant Secretary for Regulatory Improvement shall be responsible for (1) streamlining environmental regulatory processes; (2) improving the coordination and integration of state environmental policies and programs; (3) developing and enhancing the use of economic incentives to encourage environmental protection; and (4) identifying and coordinating the interrelationships between energy policies and environmental protection policies.

   In order to avoid duplication and overlap in providing regulatory assistance to individual businesses or groups of businesses, the Assistant Secretary for Regulatory Improvement shall refer requests for permit assistance from individual businesses or groups of businesses to the Office of Planning and Research or the Trade and

Item	Amount
Commerce Agency. The Assistant Secretary shall not directly assist businesses by identifying regulatory requirements or mediating disputes between businesses and regulatory agencies for specific projects or proposals. This provision shall not prevent the Assistant Secretary from convening for the Secretary a permitting team, as authorized by Section 65959.2 of the Government Code, to identify statutory and regulatory requirements for the issuance of environmental permits.	
3. Of the amount appropriated in this item, $120,000 shall be expended for the purposes of funding one position to oversee the efforts of the California Environmental Protection Agency to implement Total Quality Management or equivalent programs at the agency and the offices, boards, and departments within the agency. These funds shall only be available for expenditure if Senate Bill No. 1082 of the 1993–94 Regular Session is enacted, and requires the agency to institute Total Quality Management or equivalent programs at the agency and the offices, boards, and departments within the agency.	
0555-011-387—For support of Secretary for Environmental Protection, for payment to Item 0555-001-100, payable from the Integrated Waste Management Account, Integrated Waste Management Fund	245,000
0555-401—Notwithstanding Provision 1 of 0555-001-044 of the 1992 Budget Act, the loan from the Solid Waste Disposal Site Cleanup and Maintenance Account, Integrated Waste Management Fund, to the Secretary for Environmental Protection is to be repaid by July 1, 1994, with interest to be computed at Pooled Money Investment Account rate.	
0558-001-001—For support of Secretary of Child Development and Education	1,166,000
Provisions:	
1. The amount provided in this item is intended for support of the Child Development and Education Agency. The appropriation is an estimate of the funding needs from January 1, 1994, to June 30, 1994. Legislation establishing the agency is currently pending and, if enacted, would be effective January 1, 1994. In the event that legislation creating the agency is not en-	

Item		Amount
acted or the effective date is delayed, the Director of Finance is authorized to transfer expenditure authority from this item to Item 0650-011-001.		
0580-001-001—For support of Office of California-Mexico Affairs, Program 10		228,000
0650-001-001—For support of Office of Planning and Research		2,517,000
Schedule:		
(a) 11-State Planning and Policy Development	4,032,000	
(b) Reimbursements	−648,000	
(c) Amount payable from the Property Acquisition Law Account (Item 0650-001-002)	−425,000	
(d) Amount payable from the Petroleum Violation Escrow Account (Item 0650-001-853)	−100,000	
(e) Amount payable from the Federal Trust Fund (Item 0650-001-890)	−342,000	
0650-001-002—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Property Acquisition Law Account		425,000
0650-001-853—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Petroleum Violation Escrow Account		100,000
Provisions:		
1. Notwithstanding any other provisions of law, this appropriation shall be available for encumbrance and expenditure during the 1993–94, 1994–95 and 1995–96 fiscal years.		
0650-001-890—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Federal Trust Fund		342,000
0650-011-001—For support of Office of Planning and Research		813,000
Provisions:		
1. The amount provided in this item is intended for support of the Child Development and Education Agency (CDEA). The appropriation is an estimate of the funding needs from July 1, 1993, to December 31, 1993. Legislation establishing the agency is currently pending, and if enacted would be effective January 1, 1994. After December 31, 1993, and upon determination		

Item		Amount
that all obligations of the CDEA in the Office of Planning and Research have been met, the Director of Finance is authorized to transfer expenditure authority not used by the CDEA and remaining in this item to Item 0558-001-001.		
0690-001-001—For support of Office of Emergency Services		14,158,000
Schedule:		
(a) 15-Mutual Aid Response	10,276,000	
(b) 35-Plans and Preparedness	15,262,000	
(c) 45-Disaster Assistance	6,257,000	
(d) 55.01-Administration and Executive	2,272,000	
(e) 55.02-Distributed Administration and Executive	−2,272,000	
(f) Reimbursements	−4,121,000	
(g) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-029)	−1,174,000	
(h) Amount payable from the Federal Trust Fund (Item 0690-001-890)	−6,648,000	
(i) Amount payable from the Office of Emergency Services Disaster Administration Support Account (Section 8690.4 of the Government Code)	−3,256,000	
(j) Amount payable from Federal Trust Fund (recovery of prior year expenditures)	−2,438,000	
Provisions:		
1. Funds appropriated by this item may be reduced by the Director of Finance, after giving notice to the Chairperson of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-890.		
2. The office shall charge tuition for all training offered through the California Specialized Training Institute.		
0690-001-029—For support of Office of Emergency Services, for payment to Item 0690-001-001, payable from the Nuclear Planning Assessment Special Account		1,174,000
0690-001-890—For support of Office of Emergency Services, for payment to Item 0690-001-001, payable from the Federal Trust Fund		6,648,000

Item Amount

Provisions:

1. No funds, either state or federal, shall be expended by any state agency for developing or implementing "crisis relocation planning," or for any planning whose primary or exclusive purpose is to effect a mass evacuation of California's civilian population, in the event of the threat of a nuclear war.

   If, as a result of this section, the Federal Emergency Management Agency (FEMA) withholds other federal funds whose purposes are the support of California's emergency planning and preparedness for civilian and natural disasters, and if the court of original jurisdiction upholds the legality of such action by FEMA, then the implementation of this section shall be suspended until judicial appeals have been exhausted or Congress prohibits this action by FEMA.

0690-011-254—For transfer by the Controller from the Street and Highway Account, Natural Disaster Assistance Fund (Account No. 254) to the Public Facilities and Local Agency Disaster Reponse Account, Natural Disaster Assistance Fund (Account No. 251) ..... (4,200,000)

0690-101-001—For local assistance, Office of Emergency Services 7,550,000

Schedule:

(a) For transfer to the Public Facilities and Local Agency Disaster Response Account (251) 7,550,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in Item 0690-101-251 and Item 0690-101-254 shall be available for all approved disaster assistance claims regardless of the specific disaster that caused the claim to be submitted.
2. Notwithstanding any other provision of law, upon order of the Director of Finance and notification to the Joint Legislative Budget Committee, the Controller shall transfer between Item 0690-101-251 and Item 0690-101-254 those funds that are necessary to pay any approved disaster assistance claims of the type described in subdivisions (a) and (b) of Section 8690.4 of the Government Code.

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		1,565,000
0690-101-251—For local assistance, Office of Emergency Services, Program 45—Disaster Assistance		35,820,000
0690-101-254—For local assistance, Office of Emergency Services, Program 45—Disaster Assistance		1,863,000
0690-101-890—For local assistance, Office of Emergency Services, Program 45—Disaster Assistance, payable from the Federal Trust Fund		135,054,000
Provisions:		
1. Any federal funds that may become available in addition to the funds appropriated by this item for Program 45—Disaster Assistance are exempt from Section 28.00 of this act.		
0695-001-372—For transfer by the Controller from the reserve of the Disaster Relief Fund to the General Fund		(5,500,000)
0750-001-001—For support of Office of the Lieutenant Governor		1,247,000
Schedule:		
(a) 10-General Activities	1,317,000	
(b) Reimbursements	−70,000	
0820-001-001—For support of Department of Justice		152,116,000
Schedule:		
(a) 11.01-Directorate-Administration	57,253,000	
(b) 11.02-Distributed Directorate-Administration	−57,253,000	
(c) 25-Executive Programs	5,237,000	
(d) 30-Civil Law	44,042,000	
(e) 40-Criminal Law	50,433,000	
(f) 45-Public Rights	25,538,000	
(g) 50-Law Enforcement	155,507,000	
(h) Reimbursements	−66,022,000	
(i) Amount payable from the Attorney General Antitrust Account, General Fund (Item 0820-001-012)	−500,000	
(j) Amount payable from the Fingerprint Fees Account, General Fund (Item 0820-001-017)	−19,400,000	
(k) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-044)	−16,879,000	

Item		Amount
(*l*)	Amount payable from the Department of Justice Sexual Habitual Offender Fund, (SHOP), General Fund (Item 0820-001-142)	−1,592,000
(m)	Amount payable from the Dealers' Record of Sale Special Account, General Fund (Item 0820-001-460)	−6,796,000
(n)	Amount payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO) (Item 0820-001-469) ...	−519,000
(o)	Amount payable from the Gaming Registration Fee Account, General Fund (Item 0820-001-477)	−290,000
(p)	Amount payable from the Federal Trust Fund (Item 0820-001-890) ..	−14,246,000
(q)	Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-942)	−959,000
(r)	Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-942)	−1,438,000

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 $34,016,000 and by the Public Rights Program in excess of $11,182,000 plus amounts for employee compensation adjustments, shall revert to the

Item	Amount
unappropriated surplus of the General Fund unless the Director of Finance authorizes the expenditure of the reimbursements and notification of the additional expenditure authority is provided to the Legislature pursuant to Section 28.00.	
4. Notwithstanding any other provision of law, of the amount appropriated from the General Fund by this act to the Department of Justice for purposes within the Division of Law Enforcement, the department shall redirect the amount of $1,350,000 for the purpose of augmenting local support for the department's criminalistic laboratories.	
5. Of the amount appropriated in this item, $1,000,000 shall be redirected to the Fingerprint Program to reduce the turnaround time for clearance of fingerprint applications.	
6. The amount appropriated in Schedule (j) shall be augmented by an amount not to exceed $2,500,000, to the extent that amount is generated to the Fingerprint Fee Account by revenues from increased fingerprint application fees. The amount of the Augmentation shall be used to reduce the turnaround time for clearance of fingerprint applications.	
0820-001-012—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Attorney General Antitrust Account, General Fund	500,000
0820-001-017—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Fingerprint Fees Account, General Fund, pursuant to subdivision (e) of Section 11105 of the Penal Code	19,400,000
0820-001-044—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Motor Vehicle Account, State Transportation Fund	16,879,000
0820-001-142—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Department of Justice Sexual Habitual Offender Fund (SHOP), General Fund	1,592,000
0820-001-460—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Dealers' Record of Sale Special Account, General Fund	6,796,000

Item	Amount
Provisions: 1. Dealers' Record of Sale fees collected pursuant to the state law for the registration of assault weapons shall not exceed $20 per registrant.	
0820-001-469—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO), General Fund	519,000
0820-001-477—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Gaming Registration Fee Account, General Fund	290,000
0820-001-890—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Federal Trust Fund	14,246,000
0820-001-942—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Federal Asset Forfeiture Account, Special Deposit Fund	959,000
0820-011-001—For support of the Department of Justice, the amount paid to the Department of Justice by the State Department of Education during the 1993–94 fiscal year for costs associated with school finance litigation as specified in this item. Notwithstanding any other provision of law, the Department of Justice may bill the State Department of Education for costs associated with the state's defense in ABC Unified School District v. State of California that are incurred by the Department of Justice, and the State Department of Education shall pay that bill from existing resources.	
0820-011-012—For transfer to the General Fund, payable from the first $600,000 in revenues in the Attorney General Antitrust Account, General Fund	(600,000)
0820-011-460—Notwithstanding any other provision of law, the Controller shall transfer $1,500,000 from the Dealers' Record of Sale Special Account, General Fund to the General Fund	(1,500,000)
0820-011-942—For support of Department of Justice, for payment to Item 0820-001-001, payable from the State Asset Forfeiture Account, Special Deposit Fund	1,438,000
0820-101-001—For local assistance, Department of Justice	371,000

Item		Amount
Schedule:		
(a) 25-Executive Programs	221,000	
(b) 50-Law Enforcement	150,000	
Provisions:		
1. The funds appropriated in Category (b) are for allocation by the State Controller to counties with a population under 1,250,000 to reimburse specified costs associated with the Clandestine Laboratory Enforcement Program.		
0820-101-460—For local assistance, Department of Justice		600,000
Schedule:		
(a) 50-Law Enforcement	600,000	
0820-495—Reversion, Department of Justice. As of June 30, 1993, the unencumbered balance of the appropriation identified in the following citation shall revert to the fund balance of the fund from which the appropriation was made.		
General Fund		
(1) Item 0820-011-001, Budget Act of 1992.		
0840-001-001—For support of State Controller		60,689,000
Schedule:		
(a) 100000-Personal Services	64,428,000	
(b) 300000-Operating Expenses and Equipment	34,790,000	
(c) Reimbursements	−30,763,000	
(d) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061)	−2,660,000	
(e) Amount payable from the Highway Users Tax Fund (Item 0840-001-062)	−747,000	
(f) Amount payable from the Local Revenue Fund (Item 0840-001-330)	−362,000	
(g) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-344)	−550,000	
(h) Amount payable from the State School Building Aid Fund (Item 0840-001-739)	−118,000	
(i) Amount payable from the Federal Trust Fund (Item 0840-001-890)	−2,292,000	
(j) Amount payable from the Assessment Fund (Item 0840-001-903)	−871,000	

Item Amount

(k) Amount payable from nongovernmental cost funds, Retail Sales Tax Fund (Item 0840-001-988) .... —166,000

Provisions:

1. The appropriation made by this item shall be in lieu of any Cigarette Tax Fund allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1993–94 fiscal year, and no funds shall be allocated to the Controller pursuant to Section 30462 of the Revenue and Taxation Code during the 1993–94 fiscal year.
2. 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 the Code of Civil Procedure.
3. 1.9 personnel years in the Mandate Claims Unit may only be used to develop criteria to automate the mandated claims process. This unit shall notify the Department of Finance and the Joint Legislative Budget Committee of the progress of the automation project on or before September 15, 1993, and February 15, 1994.
4. Of the claims received for reimbursement of court-ordered or voluntary desegregation programs pursuant to Sections 42243.6, 42247, and 42249 of the Education Code, the Controller shall pay only those claims that have been subjected to audit by school districts in accordance with the Controller's procedures manual for conducting audits of education desegregation claims. Furthermore, the Controller shall pay only those past year actual claims for desegregation program costs that are accompanied by all reports issued by the auditing entity, unless the auditing entity was the Controller.
5. No less than 0.9 personnel year in the Audits Division shall be used to audit education desegregation claims.
6. The 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

Item Amount

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.

7. The Controller shall redirect $940,000 from its administrative activities to the following activities: Sale of Securities, Inheritance Tax Collections, and Audits of Unclaimed Property for a General Fund revenue gain of $28,000,000.
8. No funds appropriated by this act or any other provision of law may be expended by the Controller for any of the following:
   (a) Notifying or publishing pursuant to Section 1531 of the Code of Civil Procedure.
   (b) Locating owners of unclaimed property.
   (c) Providing information to the public, other than to holders of unclaimed property (as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure), concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except in response to a specific unsolicited request.
9. The Controller shall increase its audits of the provider billings in the Medi-Cal program in such a manner as to increase Medi-Cal resources by $30,000,000 ($15,000,000 of state funds in the General Fund and $15,000,000 of federal funds) in excess of the amount proposed by the Governor in January 1993.

0840-001-061—For support of State Controller, for payment to Item 0840-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund 2,660,000

0840-001-062—For support of State Controller, for payment to Item 0840-001-001, payable from the Highway Users Tax Fund 747,000

0840-001-330—For support of State Controller, for payment to Item 0840-001-001, payable from the Local Revenue Fund 362,000

Item		Amount
0840-001-344—For support of State Controller, for payment to Item 0840-001-001, payable from the State School Building Lease-Purchase Fund		550,000
0840-001-739—For support of State Controller, for payment to Item 0840-001-001, payable from the State School Building Aid Fund		118,000
0840-001-890—For support of State Controller, for payment to Item 0840-001-001, payable from the Federal Trust Fund		2,292,000
0840-001-903—For support of State Controller, for payment to Item 0840-001-001, payable from the Assessment Fund		871,000
0840-001-988—For support of State Controller, for payment to Item 0840-001-001, payable from nongovernmental cost funds (Retail Sales Tax Fund)		166,000
0840-101-071—For local assistance, payable from the Yosemite Foundation Account in the Environmental License Plate Fund		650,000
Provisions:		
1. There is hereby appropriated to the Controller for allocation to the Yosemite Foundation all moneys deposited in the account for activities authorized pursuant to Chapter 1273 of the Statutes of 1992.		
0860-001-001—For support of State Board of Equalization		155,639,000
Schedule:		
(a) 100000-Personal Services	182,171,000	
(b) 300000-Operating Expenses and Equipment	62,082,000	
(d) Reimbursements	−73,826,000	
(e) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022)	−540,000	
(f) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 0860-001-046)	−255,000	
(g) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061)	−8,584,000	
(h) Amount payable from the Occupational Lead Poisoning Prevention Account, General Fund (Item 0860-001-070)	−291,000	

Item		Amount
(i)	Amount payable from the Insurance Fund (Item 0860-001-217) ...	−237,000
(j)	Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-230)	−445,000
(k)	Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-320)	−286,000
(*l*)	Amount payable from the Integrated Waste Management Account, Solid Waste Management Fund (Item 0860-001-387)	−141,000
(m)	Amount payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, Solid Waste Management Fund (Item 0860-001-435)	−287,000
(n)	Amount payable from the Underground Storage Tank Cleanup Fund, General Fund (Item 0860-001-439)	−739,000
(o)	Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-465)	−92,000
(p)	Amount payable from the Federal Trust Fund (Item 0860-001-890) ..	−178,000
(q)	Amount payable from the Timber Tax Fund (Item 0860-001-965)	−2,713,000

Provisions:

1. 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 $35,029,000 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 $32,075,000.
2. It is the intent of the Legislature that the State Board of Equalization resolve tax controversies, without litigation, on a basis that is fair to both the state and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the board.

Item	Amount
3. Of the amount appropriated by this item for personal services, any unexpended amounts made available due to unfilled revenue producing positions shall not be available for expenditure, unless the expenditure is approved by the Director of Finance and the Chairperson of the Joint Legislative Budget Committee is notified.	
4. From the amount appropriated in this item, the State Board of Equalization shall allocate sufficient resources to initiate a strategic planning effort to consolidate the state's tax administration activities, which shall be jointly conducted by the State Board of Equalization and the Franchise Tax Board. Up to $150,000 may be expended to pay the board's share of costs for consulting services needed in connection with the strategic planning effort. It is the intent of the Legislature that the jointly conducted strategic planning efforts produce a plan to facilitate orderly consolidation of the state's tax administration activities, including the identification of how critical issues such as the consolidation of computer systems, telecommunications, and office space will be resolved, and the identification of other critical issues that may need to be resolved through legislation. The strategic planning effort shall provide a progress report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house of the Legislature not later than April 1, 1994. This provision shall be operative only upon the enactment of legislation authorizing the consolidation of the state's tax administration activities.	
0860-001-022—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the State Emergency Telephone Number Special Account, General Fund	540,000
0860-001-046—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Transportation Planning and Development Account, State Transportation Fund	255,000
0860-001-061—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund	8,584,000

Item	Amount
0860-001-070—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Occupational Lead Poisoning Prevention Account, General Fund	291,000
0860-001-217—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Insurance Fund	237,000
0860-001-230—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Cigarette and Tobacco Products Surtax Fund	445,000
0860-001-320—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Oil Spill Prevention and Administration Fund	286,000
0860-001-387—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Integrated Waste Management Account, Solid Waste Management Fund	141,000
0860-001-435—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, Solid Waste Management Fund	287,000
0860-001-439—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Underground Storage Tank Cleanup Fund, General Fund	739,000
0860-001-465—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Energy Resources Programs Account, General Fund	92,000
0860-001-890—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Federal Trust Fund	178,000
0860-001-965—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Timber Tax Fund	2,713,000
0860-495—Reversion, State Board of Equalization. Any unencumbered balance of Schedule (a) of Item 0860-001-001 of Section 2.00 of this act, made available due to unfilled revenue producing positions, shall revert to the General Fund on January 1, 1994, and June 30, 1994, as determined by the Department of Finance.	
0890-001-001—For support of Secretary of State	10,705,000

Item		Amount
Schedule:		
(a) 100000-Personal Services	14,761,000	
(b) 300000-Operating Expenses and Equipment	9,951,000	
(c) Special Item of Expense—Election Related Costs	6,929,000	
(cx) Unallocated reduction	−944,000	
(d) Reimbursements	−6,486,000	
(e) Amount payable from the Secretary of State Business Fees Fund (Item 0890-001-228)	−13,506,000	
Provisions:		
1. The funds appropriated in this item for support of the Political Reform Division shall not be reduced for the purpose of implementing the unallocated General Fund reduction made pursuant to Section 3.90 of this act or any other unallocated General Fund reduction.		
0890-001-228—For support of Secretary of State, for payment to Item 0890-001-001, payable from the Secretary of State Business Fees Fund		13,506,000
0950-001-001—For support of State Treasurer		4,836,000
Schedule:		
(a) 100000-Personal Services	10,930,000	
(b) 300000-Operating Expenses and Equipment	4,797,000	
(c) Reimbursements	−10,891,000	
0953-001-935—Notwithstanding any other provision of law, as of June 30, 1993, the State Controller shall transfer the unencumbered balance from the Local Agency Indebtedness Fund to the General Fund.		
0953-495—Reversion, Local Agency Indebtedness Fund Loan Program. As of June 30, 1993, 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.		
935—Local Agency Indebtedness Fund		
(1) Chapter 292, Statutes of 1978		
(2) Chapter 512, Statutes of 1980		
0956-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advisory Commission Fund		1,250,000
Schedule:		
(a) 10-California Debt Advisory Commission	1,250,000	

Item	Amount
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	387,000
Schedule:	
10-Debt Limit Allocation Committee 387,000	
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 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.....	417,000
Schedule:	
(a) 10-Industrial Dev. Financing Advisory Commission 417,000	
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	

Item Amount

committee, or his or her designee, may in each instance determine.

0968-001-457—For support of California Tax Credit Allocation Committee 1,458,000
Schedule:
(a) 10-California Tax Credit Allocation Committee..... 1,458,000
Provisions:
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California 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.

0971-001-528—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund 166,000
Schedule:
(a) 10-California Alternative Energy Source Financing Authority..... 166,000
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 joint committee, or his or her designee, may in each instance determine.

STATE AND CONSUMER SERVICES

1100-001-001—For support of Museum of Science and Industry 6,260,000
Schedule:
(a) 10-Education..... 7,627,000
(b) 30-California Afro-American Museum 999,000

Item		Amount
(c) 40.01-Administration	920,000	
(d) 40.02-Distributed Administration.	−920,000	
(f) Reimbursements	−232,000	
(g) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-267)	−2,134,000	

Provisions:

1. The California Museum of Science and Industry shall notify the Legislature of its intent to enter into contractual arrangements which involve the California Museum Foundation. The executive director shall provide the Legislature with copies of all such executed contracts.
2. The Director of General Services may not approve a contract, permit, or lease agreement by the museum (excluding those for museum exhibits) which reduces state revenues or increases state costs by $25,000 or more unless, not sooner than 30 days prior to giving his or her approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee notification of the director's intent to approve that 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, $961,000 from the General Fund and $38,000 in reimbursements shall be made available to support the California Afro-American Museum.

1100-001-267—For support of California Museum of Science and Industry, for payment to Item 1100-001-001, payable from the Exposition Park Improvement Fund 2,134,000

1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund..... 8,864,000

Schedule:

(a) 3-Board of Accountancy	8,883,000	
(b) Reimbursements	−19,000	

1130-001-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund..... 3,701,000

Item		Amount
Schedule:		
(a) 6-Board of Architectural Examiners	3,706,000	
(b) Reimbursements	−5,000	
1140-002-008—For support of the State Athletic Commission, for payment to Item 1140-002-326, payable from the Boxer's Pension Account		20,000
1140-002-326—For support of the State Athletic Commission, payable from the Athletic Commission Fund		684,000
Schedule:		
(a) 9-State Athletic Commission	1,086,000	
(b) Amount payable from the Boxer's Neurological Examination Account (Item 1140-002-492)	−382,000	
(c) Amount payable from the Boxer's Pension Account (Item 1140-002-008)	−20,000	
Provisions:		
1. Notwithstanding any other provision of law, effective July 1, 1993, the Athletic Commission Fund created in the Budget Act of 1992 from which the operations of the State Athletic Commission shall be funded is hereby continued for that same purpose. Notwithstanding any other provision of law, all revenues collected on or after July 1, 1993, pursuant to Chapter 2 (commencing with Section 18600) of Division 8 of the Business and Professions Code shall be deposited in the Athletic Commission Fund.		
2. Notwithstanding any other provision of law, the Director of the Department of Consumer Affairs shall authorize the loan of funds from the Vehicle Inspection and Repair Fund to the Athletic Commission Fund for the fiscal years 1992–93 to 1995–96, inclusive. It is the intent of the Legislature, pursuant to this appropriation, to allow to the State Athletic Commission sufficient time to increase its revenues to a level of self-sufficiency, removing any future reliance on the General Fund.		
1140-002-492—For support of the State Athletic Commission, for payment to Item 1140-002-326, payable from the Boxer's Neurological Examination Account		382,000

Item		Amount
1150-001-421—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Vehicle Inspection and Repair Fund		69,048,000
Schedule:		
(a) 12-Bureau of Automotive Repair..	69,166,000	
(b) Reimbursements	−118,000	
1150-011-421—For transfer by the State Controller to the General Fund from the Vehicle Inspection and Repair Fund on June 30, 1994		(7,000,000)
1165-001-069—For support of State Board of Barbering and Cosmetology, payable from the Board of Barbering and Cosmetology Contingent Fund		8,536,000
Schedule:		
(a) 16-State Board of Barbering and Cosmetology	8,558,000	
(b) Reimbursements	−22,000	
1170-001-773—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund		4,349,000
Schedule:		
(a) 18-Board of Behavioral Science Examiners	4,854,000	
(b) Reimbursements	−505,000	
1180-001-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund		370,000
1210-001-769—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund		3,681,000
Schedule:		
(a) 24.20.010-Private Investigators	5,507,000	
(b) Reimbursements	−1,826,000	
1230-001-093—For support of Contractors' State License Board, for payment to Item 1230-001-735, payable from the Construction Management Education Account, Contractors' License Fund		15,000
1230-001-735—For support of Contractors' State License Board, payable from the Contractors' License Fund		31,671,000
Schedule:		
(a) 30-Contractors' State License Board	31,739,000	
(b) Reimbursements	−53,000	
(c) Amount payable from the Construction Management Education Account (Item 1230-001-093)	−15,000	

Item Amount

Provisions:

1. No funds appropriated by this item may be encumbered for any services of the Attorney General which are in excess of the amounts budgeted therefor sooner than 30 days after written notification by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee.
2. In expending funds appropriated pursuant to this item, the board shall give first priority to completing complaint mediation and investigation of all consumer complaints and complaints from industry sources. The board shall give second priority to investigation of applications at the level of 3 percent of all applications received by the board.

   No other complaints and investigations shall be processed if either of the following exists:

   (a) Consumer complaints are not mediated or investigated within a median time of 90 days of receipt by the board.
   (b) Application investigations are not completed within a median time of 90 days of receipt by the board.
3. The board shall report quarterly to the Joint Legislative Budget Committee and the relevant policy and fiscal committees of the Legislature 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.
   (e) The status of filling all authorized enforcement positions.

Item		Amount
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.		
1260-001-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		4,183,000
Schedule:		
(a) 36-Board of Dental Examiners	4,247,000	
(b) Reimbursements	−64,000	
1270-001-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund		981,000
Schedule:		
(a) 36-Board of Dental Examiners	985,000	
(b) Reimbursements	−4,000	
1280-001-325—For support of Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, Program 39, payable from the Electronic and Appliance Repair Fund		1,594,000
1330-001-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		813,000
Schedule:		
(a) 48-State Board of Funeral Directors and Embalmers	819,000	
(b) Reimbursements	−6,000	
1340-001-205—For support of State Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund		505,000
1350-001-001—For support of State Board of Guide Dogs for the Blind, Program 54		40,000
1360-001-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Bureau of Home Furnishings Fund		2,403,000

Item		Amount
Schedule:		
(a) 57-Bureau of Home Furnishings ..	2,490,000	
(b) Reimbursements	−87,000	
1370-001-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund		547,000
1390-001-175— For support of Dispensing Opticians, Medical Board of California, for payment to Item 1390-001-758, payable from the Dispensing Opticians Fund		237,000
1390-001-758—For support of the Medical Board of California, payable from the Contingent Fund of the Medical Board of California		29,273,000
Schedule:		
(a) 63.10.010-Medical Board of California	30,725,000	
(b) 63.15-Registered Dispensing Opticians	237,000	
(c) 63.10.020-Distributed Medical Board of California	−1,266,000	
(d) Reimbursements	−186,000	
(e) Amount payable from the Dispensing Opticians Fund (Item 1390-001-175)	−237,000	
1400-001-108—For support of the Acupuncture Committee, Medical Board of California, payable from the Acupuncturists Fund		828,000
Schedule:		
(a) 63.20-Acupuncture Committee	835,000	
(b) Reimbursements	−7,000	
1410-001-208—For support of Hearing Aid Dispensers Examining Committee, Medical Board of California, payable from the Hearing Aid Dispensers Fund		483,000
Schedule:		
(a) 63.30-Hearing Aid Dispensers Examining Committee	492,000	
(b) Reimbursements	−9,000	
1420-001-759—For support of Physical Therapy Examining Committee, Medical Board of California, payable from the Physical Therapy Fund		1,030,000
Schedule:		
(a) 63.40-Physical Therapy Examining Committee	1,095,000	
(b) Reimbursements	−65,000	

Item		Amount
1430-001-280—For support of Physician's Assistant Examining Committee, Medical Board of California, payable from the Physician's Assistant Fund		633,000
Schedule:		
(a) 63.50-Physician's Assistant Examining Committee	641,000	
(b) Reimbursements	−8,000	
1440-001-295—For support of Podiatry Examining Committee, Medical Board of California, payable from the Podiatry Fund		943,000
Schedule:		
(a) 63.60-Podiatry Examining Committee	947,000	
(b) Reimbursements	−4,000	
1450-001-310—For support of the Board of Psychology, Medical Board of California, payable from the Psychology Fund		2,111,000
Schedule:		
(a) 63.70-Board of Psychology	2,149,000	
(b) Reimbursements	−38,000	
1455-001-319—For support of Respiratory Care Examining Committee, Medical Board of California, payable from the Respiratory Care Fund		1,211,000
Schedule:		
(a) 63.75-Respiratory Care Examining Committee	1,238,000	
(b) Reimbursements	−27,000	
1460-001-376—For support of Speech Pathology and Audiology Examining Committee, Medical Board of California, payable from the Speech Pathology and Audiology Examining Committee Fund		305,000
Schedule:		
(a) 63.80-Speech Pathology and Audiology Committee	317,000	
(b) Reimbursements	−12,000	
1470-001-260—For support of State Board of Examiners of Nursing Home Administrators, payable from the Nursing Home Administrators' State License Examining Board Fund		420,000
Schedule:		
(a) 66-State Board of Examiners of Nursing Home Administrators	421,000	
(b) Reimbursements	−1,000	
1480-001-763—For support of State Board of Optometry, payable from the State Optometry Fund		806,000
Schedule:		
(a) 69-Board of Optometry	812,000	

Item		Amount
(b) Reimbursements	−6,000	
1490-001-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		4,376,000
Schedule:		
(a) 72-Board of Pharmacy	4,582,000	
(b) Reimbursements	−206,000	
1500-001-770—For support of State Board of Registration for Professional Engineers and Land Surveyors, payable from the Professional Engineers' and Land Surveyors' Fund		5,821,000
Schedule:		
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	5,825,000	
(b) Reimbursements	−4,000	
1510-001-761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund		11,705,000
Schedule:		
(a) 78-Board of Registered Nursing	12,239,000	
(b) Reimbursements	−534,000	
1520-001-771—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		505,000
Schedule:		
(a) 81-Certified Shorthand Reporters Board	506,000	
(b) Reimbursements	−1,000	
1530-001-399—For support of the Structural Pest Control Board, for payment to Item 1530-001-775, payable from the Structural Pest Control Education and Enforcement Fund		204,000
1530-001-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		2,417,000
Schedule:		
(a) 84-Structural Pest Control Board	2,713,000	
(b) Reimbursement	−2,000	
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1530-001-399)	−204,000	
(d) Amount payable from the Structural Pest Control Research Fund (Business and Professions Code Section 8674)	−90,000	

Item		Amount
1540-001-406—For support of Tax Preparers Program, payable from the Tax Preparers Fund		895,000
Schedule:		
(a) 87-Tax Preparers Program	910,000	
(b) Reimbursements	−15,000	
1560-001-777—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners Contingent Fund		862,000
Schedule:		
(a) 90.10.010-Board of Examiners in Veterinary Medicine	888,000	
(b) Reimbursements	−26,000	
1570-001-118—For support of Board of Examiners in Veterinary Medicine, Program 90, payable from the Animal Health Technician Examining Committee Fund		92,000
1590-001-779—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 Nurses Account		3,466,000
Schedule:		
(a) 91.10.010-Vocational Nurses	3,519,000	
(b) 91.10.020-Distributed Vocational Nurses	−37,000	
(c) Reimbursements	−16,000	
1600-001-780—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		961,000
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.		
1655-001-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund		0
Schedule:		
(a) 93.01-Division of Consumer Services	2,781,000	
(b) 94.01.010-Division of Administration	11,512,000	
(c) 94.01.020-Division of Investigation	5,578,000	
(d) 94.01.040-Information Systems Division	5,411,000	

Item		Amount
(e)	93.02-Distributed Division of Consumer Services	−2,755,000
(f)	94.02.010-Distributed Division of Administration	−11,105,000
(g)	94.02.020-Distributed Division of Investigation	−5,196,000
(h)	94.02.040-Distributed Information Systems Division	−5,342,000
(i)	Reimbursements	−884,000

Provisions:

1. Notwithstanding any other provision of law, each board, bureau, committee, program, commission, and division of the Department of Consumer Affairs shall submit a quarterly travel plan for the director's approval. No moneys hereby appropriated by this act from the various funds of the Department of Consumer Affairs to support in-state and out-of-state travel activities of the department shall be expended without the prior approval of the plan by the director.

   The director in granting approval of travel plans of each board, bureau, committee, program, commission, and division shall consider the following:

   (a) The benefit to the consumer.
   (b) The cost efficiency and accessibility of the location of any meetings to be held by each agency.
   (c) The frequency of meetings and the number of staff attending those meetings.
   (d) The other alternatives to conduct the business of the department rather than travel.

2. Notwithstanding any provision of law, it is the intent of the Legislature that the Director of Consumer Affairs in conjunction with the Department of General Services shall, to the extent feasible, ensure that all field offices operated by the Department of Consumer Affairs be located to maximize efficiency, economy, and public accessibility. This shall include advice on floor layouts, space relationships, and common areas for reception and other specialized functions such as work stations for field investigators and auxiliary spaces including conference, interview, quiet, evidence, filing, and storage rooms.

   The director shall review and advise the Office of Real Estate and Design Services regard-

Item		Amount
ing his preference for the location, relocation, and/or the renewal of any lease for any field office and is authorized to collocate offices, when approved by the Office of Real Estate and Design Services and the Department of Finance, whenever he or she deems that collocation is prudent to achieve the goals of this provision.		
3. The Legislature finds that all of the activities of the Division of Consumer Services provide a benefit to the licensees of the Department of Consumer Affairs by promoting public confidence in California's business and professional regulation, as well as assisting the boards, bureaus, committees, programs, and commissions in complying with the provisions of the Business and Professions Code, and are therefore reasonably related to the activities of the various boards, bureaus, committees, programs, and commissions of the department.		
Notwithstanding any other provision of law, the Department of Consumer Affairs may assess in advance, on a pro rata share basis, the costs of the activities of the Division of Consumer Services against the funds of the boards, bureaus, committees, programs, and commissions.		
1655-001-166—For support of Arbitration Review Program, Department of Consumer Affairs, Program 94.01.015, payable from the Certification Account		529,000
1700-001-001—For support of Department of Fair Employment and Housing		9,595,000
Schedule:		
(a) 50-Administration of Civil Rights Law	11,674,000	
(b) Reimbursements	−13,000	
(c) Amount payable from the Federal Trust Fund (Item 1700-001-890)	−2,066,000	
1700-001-890—For support of Department of Fair Employment and Housing, for payment to Item 1700-001-001, payable from the Federal Trust Fund		2,066,000
1705-001-001—For support of the Fair Employment and Housing Commission		634,000
(a) Program 10	748,000	
(b) Reimbursements	−114,000	
1710-001-001—For support of State Fire Marshal		3,295,000
Schedule:		
(a) 10-State Fire Marshal	10,948,000	

Item		Amount
(b) Reimbursements	−2,614,000	
(c) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 1710-001-102)	−1,448,000	
(d) Amount payable from the California Oil Refinery and Chemical Safety Fund (Item 1710-001-105).	−413,000	
(e) Amount payable from the California Fire and Arson Training Fund (Item 1710-001-198)	−1,551,000	
(f) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 1710-001-209)	−1,528,000	
(g) Amount payable from the Federal Trust Fund (Item 1710-001-890)..	−99,000	
Provisions:		
1710-001-102—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the State Fire Marshal Licensing and Certification Fund		1,448,000
1710-001-105—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the California Oil Refinery and Chemical Safety Fund		413,000
1710-001-198—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the California Fire and Arson Training Fund		1,551,000
1710-001-209—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the Hazardous Liquid Pipeline Safety Fund		1,528,000
1710-001-890—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the Federal Trust Fund		99,000
1730-001-001—For support of Franchise Tax Board		244,976,000
Schedule:		
(a) 10-Tax Programs	243,041,000	
(b) 20-Homeowners and Renters Assistance	1,868,000	
(c) 30-Political Reform Audit (1,122,000)	0	
(d) 40-Child Support Collections	2,034,000	
(e) 70-Contract Work	2,017,000	
(f) 80.01-Administration	12,658,000	
(g) 80.02-Distributed Administration	−12,658,000	
(h) Reimbursements	−3,437,000	

Item		Amount
(i)	Amount payable from the Delinquent Tax Collection Fund (Sections 18839 and 26256 of the Revenue and Taxation Code)	−404,000
(j)	Amount payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund (Item 1730-001-200)	−29,000
(k)	Amount payable from the Veterans Memorial Fund (Section 1316 of the Military and Veterans Code)	−5,000
(*l*)	Amount payable from the State Children's Trust Fund (Item 1730-001-803)	−26,000
(m)	Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-823)	−33,000
(n)	Amount payable from the California Seniors Special Fund (Item 1730-001-886)	−5,000
(o)	Amount payable from the California Election Campaign Fund (Item 1730-001-905)	−19,000
(p)	Amount payable from the California Breast Cancer Research Fund (Item 1730-001-945)	−5,000
(q)	Amount payable from the California Seniors Fund (Item 1730-001-983)	−21,000

Provisions:

1. It is the intent of the Legislature that the Franchise Tax Board resolve tax controversies, without litigation, on a basis that is fair to both the state and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the board.
2. In accordance with subdivision (b) of Section 18937 of the Revenue and Taxation Code, during the 1993–94 fiscal year, the collection cost recovery fee shall be one hundred three dollars ($103) and the filing enforcement cost recovery fee shall be one hundred fourteen dollars ($114).

Item	Amount
3. In accordance with subdivision (b) of Section 26313 of the Revenue and Taxation Code, during the 1993–94 fiscal year, the collection cost recovery fee shall be one hundred eighty-three dollars ($183) and the filing enforcement cost recovery fee shall be one hundred nineteen dollars ($119).	
4. Of the amount appropriated in this item, the Franchise Tax Board shall allocate a sufficient amount to initiate a strategic planning effort to consolidate the state's tax administration activities, which shall be conducted jointly by the State Board of Equalization and the Franchise Tax Board. Up to $150,000 of that amount may be expended to pay the Franchise Tax Board's share of costs for consulting services needed in connection with the strategic planning effort. It is the intent of the Legislature that the jointly conducted strategic planning efforts produce a plan to facilitate orderly consolidation of the state's tax administration activities, including the identification of methods to resolve critical issues such as the consolidation of computer systems, telecommunications, and office space, and the identification of other critical issues that may need to be resolved through legislation. The strategic planning effort shall include a progress report to the Joint Legislative Budget Committee and the fiscal committees of each house of the Legislature not later than April 1, 1994. This provision shall be operative only upon the enactment of legislation authorizing the consolidation of the state's tax administration activities.	
1730-001-200—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund	29,000
1730-001-803—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the State Children's Trust Fund	26,000
1730-001-823—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Alzheimer's Disease and Related Disorders Research Fund	33,000

Item	Amount
1730-001-886—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Seniors Special Fund	5,000
1730-001-905—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Election Campaign Fund	19,000
1730-001-945—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Breast Cancer Research Fund	5,000
1730-001-983—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Seniors Fund	21,000
1760-001-001—For support of the Department of General Services, for payment to Item 1760-001-666 ...	6,348,000
Provisions:	
1. In addition to the funds available in this item, any amounts received from the sale of the Governor's Budget and related publications funded from this item are available for expenditure.	
1760-001-002—For support of the Department of General Services, for payment to Item 1760-001-666, payable from the Property Acquisition Law Account, General Fund	1,258,000
1760-001-003—For support of Department of General Services, for payment to Item 1760-001-666, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund	4,759,000
1760-001-006—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Access for Handicapped Account, General Fund	1,312,000
1760-001-022—For support of Department of General Services, for payment to Item 1760-001-666, payable from State Emergency Telephone Number Account, General Fund	986,000
1760-001-026—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State Motor Vehicle Insurance Account, General Fund	3,271,000
Provisions:	
1. Notwithstanding any other provision of law, funds available for the payment of claims are continuously appropriated without regard to fiscal year.	

Item	Amount
1760-001-036—For support of the Department of General Services, for payment to Item 1760-001-666, payable from the Special Account for Capital Outlay	5,600,000

Provisions:

1. The funds appropriated in this item are for the following:
   (a) Asbestos Abatement Program.. 2,268,000
   (b) PCB Program 1,575,000
   (c) Underground Storage Tank Program 1,757,000
2. Proposals to transfer funds between these programs shall be submitted in accordance with Section 6.50 of this act. Such proposals shall detail reasons for the transfer and the impact on the programs for which the transfer is proposed.
3. Notwithstanding any other provision of law, the funds appropriated in this item shall not be transferred into the Architecture Revolving Fund.
4. The funds appropriated in this item are payable to the Service Revolving Fund only for the purposes of facilitating Department of General Services accounting and shall only be utilized as specified in Provision 1.

1760-001-344—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State School Building Lease-Purchase Fund	10,878,000

Provisions:

1. 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.

1760-001-397—For support of Department of General Services, for payment to Item 1760-001-666, payable from the California State Police Fund	109,000
1760-001-450—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Seismic Gas Valve Certification Fund	76,000
1760-001-465—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Energy Resources Programs Account, General Fund	1,212,000

Item		Amount
1760-001-602—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Architecture Revolving Fund.....		17,599,000
Provisions:		
1. Notwithstanding the provisions of Item 9840-001-988 and Section 27 of this act, the Director of Finance may augment this item in cases where the Legislature has approved funds for a client department for a particular project, the project involves additional expense by the Department of General Services and the corresponding expenditure authority has not been provided in this item.		
1760-001-666—For support of Department of General Services, payable from the Service Revolving Fund.....		334,112,000
Schedule:		
(a) 100000—Personal Services.....	197,048,000	
(b) 300000—Operating Expenses and Equipment.....	279,469,000	
(c) Distributed services.....	−71,205,000	
(cx) Unallocated reduction.....	−11,464,000	
(d) Amount payable from the General Fund (Item 1760-001-001)	−6,348,000	
(e) Amount payable from the Property Acquisition Law Account, General Fund (Item 1760-001-002).....	−1,258,000	
(f) Amount payable from the Motor Vehicle Parking Facilities Moneys Account, General Fund (Item 1760-001-003)	−4,759,000	
(g) Amount payable from the Access for Handicapped Account, General Fund (Item 1760-001-006)	−1,312,000	
(h) Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022)	−986,000	
(i) Amount payable from the State Motor Vehicle Insurance Account, General Fund (Item 1760-001-026).....	−3,271,000	
(j) Amount payable from the Special Account for Capital Outlay (Item 1760-001-036)	−5,600,000	

Item		Amount
(k)	Amount payable from the State School Building Lease-Purchase Fund (Item 1760-001-344)	−10,878,000
(*l*)	Amount payable from the California State Police Fund (Item 1760-001-397)	−109,000
(m)	Amount payable from the Seismic Gas Valve Certification Fund (Item 1760-001-450)	−76,000
(n)	Amount payable from the Energy Resources Programs Account, General Fund (Item 1760-001-465)	−1,212,000
(o)	Amount payable from the Architecture Revolving Fund (Item 1760-001-602)	−17,599,000
(p)	Amount payable from the State School Building Aid Fund (Item 1760-001-739)	−812,000
(q)	Amount payable from the Earthquake Safety and Public Buildings Rehabilitation Bond Fund of 1990 (Item 1760-001-768)	−866,000
(r)	Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961)	−121,000
(s)	Amount payable from the Architecture Revolving Fund (Item 1760-011-602)	−4,529,000

Provisions:

1. Notwithstanding the provisions of Item 9840-001-988 and Section 27.00 of this act, the Director of Finance may augment this item in cases where the Legislature has approved funds for a client department for services or the purchase of equipment by the Department of General Services and the corresponding expenditure authority has not been provided in this item.
2. 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, 1993, after accounting for all receipts and the fiscal year 1992–93 costs of maintaining, operating, and insuring buildings included within the account, shall be transferred by the Controller to the General Fund and reported to the Joint Leg-

Item		Amount
	islative Budget Committee no later than September 30, 1993. 3. Of the amount appropriated in this item, $312,000 shall be available for expenditure only upon approval of the Department of Finance in amounts necessary to provide services to client departments that have provided written requests to connect to the State Data Network and have agreed to amortize the cost of the required equipment through the lease of network lines. 4. The Department of General Services is authorized to collect rent from the tenants of the buildings at 1020 N Street and 1021 O Street in Sacramento. These rents shall be deposited in the Building Rental Account and shall be available for maintenance and operation of the buildings by the Office of Buildings and Grounds. 5. Notwithstanding any other provisions of law, revenues from the sale of legislative bills and publications received by the bill room shall be deposited in the Service Revolving Fund. 6. Notwithstanding any other provisions of law, the Department of General Services shall not close any field office of the California State Police during the 1993–94 fiscal year.	
1760-001-739—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State School Building Aid Fund		812,000
1760-001-768—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Earthquake Safety Public Buildings Rehabilitation Bond Act of 1990		866,000
1760-001-961—For support of Department of General Services for payment to Item 1760-001-666, payable from the State School Deferred Maintenance Fund.....		121,000
1760-011-602—For support of the Department of General Services, for activities other than the Office of State Architect, for payment to Item 1760-001-666, payable from the Architecture Revolving Fund ...		4,529,000
	Provisions: 1. Notwithstanding the provisions of Item 9840-001-988 and Section 27 of this act, the Director of Finance may augment this item in cases where the Legislature has approved funds for a client department for services or the purchase of equipment by the Department of General Ser-	

Item	Amount
vices and the corresponding expenditure authority has not been provided in this item.	
1760-011-666—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment, and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the state at the depreciated value at the time of purchase payable at the option of the Service Revolving Fund over the remaining depreciation period.	
1760-021-022—For transfer by the State Controller from the State Emergency Telephone Number Account to the General Fund on June 30, 1994	(15,000,000)
1760-021-666—For support of Department of General Services, payable from the Service Revolving Fund.....	210,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated in this item are available for expenditure by the Department of General Services only to improve the security system in the State Capitol Building and the State Capitol Building Annex.	
1760-031-122—For transfer by the State Controller from the Hospital Plan Checking Account, Architecture Public Building Fund to the Hospital Building Account, Architecture Public Building Fund.....	(41,000)
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 1993–94 to be reverted to the General Fund prior to September 30, 1994.....	(11,590,000)

Item		Amount
1760-101-022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account, General Fund		60,248,000
Provisions:		
1. Notwithstanding any other provision of law, the surcharge rate for the 911 State Emergency Telephone Number Account for the period November 1, 1992, to October 31, 1994, inclusive, shall be 0.69 percent.		
1760-301-164—For capital outlay, Department of General Services, payable from the Outer Continental Shelf Land Act Sec 8g Rev Fund		2,517,000
Schedule:		
(1) 50.10.003-Central Plant Upgrade— Construction	2,517,000	
1760-301-768—For capital outlay, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990		11,182,000
Schedule:		
(1.1) 50.30.005.001—Oakland State Office Building—Environmental impact report and schematic drawings	2,000,000	
(1.2) 50.30.005.002—Oakland State Office Building—Design development	2,208,000	
(2.1) 50.40.080.001—San Francisco State Office Buildings (350 McAllister St. and 455 Golden Gate Ave.)—Environmental impact report and schematic drawings	3,070,000	
(2.2) 50.40.080.002—San Francisco State Office Buildings (350 McAllister St. and 455 Golden Gate Ave.)—Design development	3,904,000	

Item Amount

1760-490—Reappropriation, Department of General Services. The balance of funds made available pursuant to Provision 9 of Item 1760-001-666 of Section 2.00 of the Budget Act of 1991 (Ch. 118, Stats. 1991) for alterations and repairs of the legislative office buildings at 1020 N Street and 1021 O Street is hereby reappropriated for only those purposes.

1760-495—Reversion, Department of General Services. As of June 30, 1993, notwithstanding any other provision of law, the unexpended balances in the following citations shall be reverted to the fund balance of the fund from which the appropriation was made.

120—School Building Program Account, Chapter 1289/90

122—Hospital Plan Checking Account, Chapter 1287/90

706—Architectural Examiners Fund, Chapter 1289/90

735—Contractors' License Fund, Chapter 1289/90

770—Professional Engineer and Land Surveyor Fund, Chapter 1289/90

1880-001-001—For support of State Personnel Board ... 7,689,000

Schedule:

(a) 10-Merit System Administration...	9,522,000
(b) 40-Local Government Services....	1,222,000
(c) 50.01-Administrative Services.....	6,193,000
(d) 50.02-Distributed Administrative Services.....	−3,553,000
(e) Reimbursements.....	−5,695,000

1900-001-950—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Contingency Reserve Fund 7,628,000

Provisions:

1. The appropriation made by this item is for support of the Board of Administration pursuant to Section 22840 of the Government Code. Of the amount appropriated in this item, $1,500,000 is appropriated for costs to develop and implement the Health and Employee Benefits Information System, contingent on approval by the Department of Finance, Office of Information Technology, of the plan for that development and implementation. These funds shall be available for encumbrance not sooner than a date 30 days after the Director of Finance provides no-

Item		Amount
	tice of that approval to the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and provides copies of the plan for review by the committees.	
1900-003-830—For support of the Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund		(56,000,000)
	Provisions:	
	1. The amount in this item is based on the Public Employees' Retirement System's estimate of expenditures (cash basis) for external investment advisors to be made during the 1993–94 fiscal year pursuant to Section 20216.5 of the Government Code. The Board of Administration of the Public Employees' Retirement System shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee on or before January 10, 1994, regarding any revision of this estimate, including an accounting and explanation of changes, and the amount of and basis for investment advisor expenditures proposed for the 1994–95 fiscal year. The Board of Administration of the Public Employees' Retirement System shall report on or before January 10, 1995, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.	
1900-005-001—For transfer by the Controller to the Public Employees' Retirement Fund from other unallocated funds in the General Funds		(195,000,000)
	Provisions:	
	1. The amount in this item is for transfer for the General Fund share of the state's contribution required by Section 20751 of the Government Code.	
	2. The amount in this item may be augmented by the Department of Finance, as determined by the Controller, based on the actual cost of employer's retirement share. Within five days after approval of an augmentation by the Director of Finance, the director shall notify the Joint Legislative Budget Committee and the fiscal committees of the Legislature regarding the augmentation amount and the basis for the augmentation.	

Item Amount

1900-005-494—For transfer by the Controller to the Public Employees' Retirement Fund from other unallocated special funds ..... (225,923,000)

Provisions:

1. The amount in this item is for transfer for the special fund share of the state's contribution required by Section 20752 of the Government Code.
2. The amount in this item may be augmented by the Department of Finance, as determined by the Controller, based on the actual cost of employer's retirement share. Within five days after approval of an augmentation by the Director of Finance, the director shall notify the Joint Legislative Budget Committee and the fiscal committees of the Legislature regarding the augmentation amount and the basis for the augmentation.

1900-005-988—For transfer by the Controller to the Public Employees' Retirement Fund from other unallocated nongovernmental cost funds ..... (192,453,000)

Provisions:

1. The amount in this item is for transfer for the nongovernmental cost fund share of the state's contribution required by Section 20752 of the Government Code.
2. The amount in this item may be augmented by the Department of Finance, as determined by the Controller, based on the actual cost of employer's retirement share. Within five days after approval of an augmentation by the Director of Finance, the director shall notify the Joint Legislative Budget Committee and the fiscal committees of the Legislature regarding the augmentation amount and the basis for the augmentation.

1900-015-815—For support of Board of Administration of the Public Employees' Retirement System, payable from the Judges' Retirement Fund ..... (285,000)

Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System (PERS), in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative

Item		Amount
	Budget Committee, and the fiscal committees of the Legislature, all of the following: (a) No later than January 10, 1994, a copy of the proposed budget for PERS for the 1994–95 fiscal year as included with the Governor's Budget. (b) No later than May 15, 1994, a copy of the proposed budget for PERS for the 1994–95 fiscal year as approved by the Board of Administration. (c) The revisions to the proposed budget for PERS for the 1993–94 fiscal year, as recommended by the PERS Finance Committee, at least 30 days prior to the consideration of those revisions by the Board of Administration. (d) Commencing October 1, 1993, all expenditure and performance workload data provided to the Board of Administration, as updated on a quarterly basis. This quarterly update information is to be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of PERS expenditures.	
1900-015-820—For support of Board of Administration of the Public Employees' Retirement System, payable from the Legislators' Retirement Fund.....		(189,000)
	Provisions: 1. Notwithstanding any law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature all of the following: (a) A copy of the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year by January 10, 1994, as included with the Governor's Budget. (b) A copy of the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year as approved by the Board of Administration by May 15, 1994.	

Item		Amount
	(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1993–94 fiscal year as recommended by the Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration.	
	(d) Commencing October 1, 1993, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.	
1900-015-830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund		(57,760,000)
Provisions:		
1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:		
	(a) A copy of the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year by January 10, 1994, as included with the Governor's Budget.	
	(b) A copy of the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year as approved by the Board of Administration by May 15, 1994.	
	(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1993–94 fiscal year as recommended by the Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration.	

Item Amount

(d) Commencing October 1, 1993, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.

1900-015-962—For support of Board of Administration of the Public Employees' Retirement System, payable from the Volunteer Firefighters' Length of Service Award System Fund ..... (72,000)

Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:
   (a) A copy of the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year by January 10, 1994, as included with the Governor's Budget.
   (b) A copy of the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year as approved by the Board of Administration by May 15, 1994.
   (c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1994–95 fiscal year recommended by the Public Employees' Retirement System Finance Committee, at least 30 days prior to consideration of those revisions by the Board of Administration.
   (d) Commencing October 1, 1993, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update informa-

Item		Amount
tion submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.		
1920-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund		30,270,000
Schedule:		
(bx) 500001-Support	30,803,000	
(c) Reimbursements	−393,000	
(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	−74,000	
Provisions:		
1. This item shall not be subject to the requirements of subdivisions (b), (c), (d), and (e) of Section 31.00 of this act. Nothing in this provision shall be construed as exempting this item from requirements of the State Civil Service Act or from requirements of laws, rules, and regulations administered by the Department of Personnel Administration.		
1920-001-963—For support of State Teachers' Retirement System, for payment 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.		
1920-002-835—For external investment advisors, payable from the State Teachers' Retirement Fund		(24,700,000)
Provisions:		
1. The amount displayed in this item is for informational purposes only, and is based on the current estimate by the State Teachers' Retirement System (STRS) of expenditures for external advisors to be made during the 1993–94 fiscal year pursuant to Section 22312.5 of the Education Code. The STRS shall report to the fiscal com-		

Item		Amount
	mittees of the Legislature and the Joint Legislative Budget Committee no later than January 10, 1994, regarding any changes in this estimate, including an accounting and explanation of the changes, and regarding the amount of, and basis for, investment advisor expenditures proposed for the 1994–95 fiscal year. The STRS shall report to those entities no later than January 10, 1995, on the final expenditures subject to this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.	
1920-011-001—For transfer by the Controller to the Teachers' Retirement Fund from the General Fund		517,944,000
	Provisions:	
	1. The amount authorized for transfer in this item is the state's contribution required by Section 23402 of the Education Code. If transfer of an additional amount becomes necessary on the basis of the calculation specified in Section 23402 of the Education Code, the Department of Finance shall notify the Legislature of the need for authorization of the transfer of additional funds pursuant to Section 27.00 or 28.00, as applicable, of this act.	
1920-012-001—For transfer by the Controller to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund from the General Fund.....		240,314,000
	Provisions:	
	1. The amount authorized for transfer in this item is the state's contribution required by Section 23400.4 of the Education Code. If transfer of an additional amount becomes necessary on the basis of the calculation specified in Section 23400.4 of the Education Code, the Department of Finance shall notify the Legislature of the need for authorization of the transfer of additional funds pursuant to Section 27.00 or 28.00, as applicable, of this act.	

Item		Amount
1920-490—Reappropriation, State Teachers' Retirement System. Of the balance of the appropriation provided in the following citation, $88,000 is reappropriated for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 1994.		
835—Teachers' Retirement Fund		
(1) Item 1920-001-835, Budget Act of 1992		
Provisions:		
1. These funds shall be available for costs related to the new disability and survivor benefit programs pursuant to Chapter 1166, Statutes of 1992.		
1960-001-001—For support of Department of Veterans Affairs		1,861,000
Schedule:		
(a) 10-Farm and Home Loans to Veterans	1,122,000	
(b) 20-Veterans Claims and Rights	1,457,000	
(c) 30-Care of Sick and Disabled Veterans	634,000	
(d) 50.01-General Administration	1,840,000	
(e) 50.02-Distributed General Administration	−1,840,000	
(f) Reimbursements	−230,000	
(g) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592)	−1,122,000	
1960-001-592—For support of Department of Veterans Affairs, for payment to Item 1960-001-001, payable from the Veterans Farm and Home Building Fund of 1943		1,122,000
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 et seq. of the Military and Veterans Code		1,680,000
Schedule:		
(a) 20-Veterans Claims and Rights	2,325,000	
(c) Reimbursements	−645,000	
1970-011-001—For support of Veterans' Home of California		22,639,000
Schedule:		
(a) 30-Care of Sick and Disabled Veterans	44,908,000	
(c) Reimbursements	−9,831,000	

Item Amount

(d) Amount payable from the Federal Trust Fund (Item 1970-011-890) .. —12,438,000

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.
2. 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.
3. Notwithstanding Section 1012.3 of the Military and Veterans Code or any other provision of law, the Department of Veterans Affairs shall increase the fees and charges to residents of the Veterans' Home of California. However the total fees and charges imposed during the 1993–94 fiscal year shall not exceed 40 percent of the state's General Fund cost of operating the home during that fiscal year. The department shall assess the fees on an ability-to-pay basis and under no circumstances shall the fees charged exceed 70 percent of an individual resident's total income.
4. The Bureau of State Audits shall review the policies and procedures of the Department of Veterans Affairs for maximizing fees and charges to residents. This review shall contain an evaluation of the department's efforts to exhaust all sources of reimbursements from either the residents or the federal government.

1970-011-890—For support of Veterans' Home of California, for payment to Item 1970-011-001, payable from the Federal Trust Fund 12,438,000

1970-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Special Account for Capital Outlay..... 3,012,000

Schedule:

(1) 80.20.105—Yountville: Correct Code Deficiencies in Section J—Construction 787,000

Item		Amount
(2) 80.20.165—Yountville: Section G (Intermediate/Domiciliary) —Construction	1,691,000	
(3) 80.20.210—Yountville: Program Management	191,000	
(4) 80.20.245—Yountville: Remodel Wards 1, 2, 3C and 1, 2, 3D—Working Drawings	343,000	
Provisions:		
1. The construction of a second veterans' home shall be delayed until General Fund revenues are adequate to support both the operating costs of the home and the debt service costs for the lease-revenue bonds authorized in Chapter 557 of the Statutes of 1992. No later than 30 days prior to proceeding with the construction of a second veterans' home, the Department of Finance shall certify to the Joint Legislative Budget Committee the adequacy of General Fund revenues for this purpose.		
1970-301-890—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Federal Trust Fund		5,814,000
Schedule:		
(1) 80.20.105—Yountville: Correct Code Deficiencies in Section J—Construction	1,766,000	
(2) 80.20.165—Yountville: Section G (Intermediate/Domiciliary)—Construction	4,048,000	

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-081—For support of Department of Alcoholic Beverage Control		22,933,000
Schedule:		
(a) 10.10-Licensing	15,460,000	
(b) 10.20-Compliance	8,325,000	
(c) 10.30.010-Administration	2,616,000	
(d) 10.30.020-Distributed Administration	−2,616,000	
(e) Reimbursements	−852,000	
Provisions:		
1. Notwithstanding any other provision of law, all money collected on or after July 1, 1993 from the fees provided for in Section 23320.25 of the Business and Professions Code shall be deposited in		

Item		Amount
the Alcoholic Beverage Control Fund and is hereby appropriated for the purposes specified in that section.		
2100-011-081—For transfer by the Controller from the Alcoholic Beverage Control Fund to the General Fund		(4,500,000)
Provisions:		
1. Notwithstanding any other provision of law, on June 30, 1994, $4,500,000 shall be transferred from the Alcoholic Beverage Control Fund to the General Fund.		
2100-490—Reappropriation, Department of Alcoholic Beverage Control. Notwithstanding any other provision of law, the unencumbered balance of all money collected on or before June 30, 1993 from the fees provided for in Section 23320.25 of the Business and Professions Code shall be deposited in the Alcoholic Beverage Control Fund and is hereby reappropriated for the purpose specified in that section.		
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund		502,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund		15,164,000
Schedule:		
(a) 10-Licensing and Supervision of Banks and Trust Companies	14,631,000	
(b) 20-Payment Instruments	650,000	
(c) 30-Certification of Securities	8,000	
(d) 40-Administration of Local Agency Security	269,000	
(e) 50-Supervision of California Business and Industrial Development Corporations	34,000	
(f) 60.01-Administrative Support Services	4,750,000	
(g) 60.02-Distributed Administrative Support Services	−4,750,000	
(h) Reimbursements	−159,000	
(i) Amount payable from the Local Agency Deposit Security Fund (Item 2140-001-240)	−269,000	
Provisions:		
1. The State Banking Department, and the Departments of Corporations, Real Estate, and Savings and Loan shall submit a joint report on or		

Item		Amount
before November 1, 1993, to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary regulatory programs into a single department, in accordance with the recommendation of the Office of the Legislative Analyst in its Analysis of the 1993–94 Budget Bill.		
2140-001-240—For support of State Banking Department, for payment to Item 2140-001-136, payable from the Local Agency Deposit Security Fund		269,000
2180-001-067—For support of Department of Corporations.....		28,115,000
Schedule:		
(a) 10-Investment Program	12,062,000	
(b) 20-Lender-Fiduciary Program	11,427,000	
(c) 30-Health Care Service Plan Program	4,626,000	
(d) 50.01-Administration	1,764,000	
(e) 50.02-Distributed Administration ..	−1,764,000	
Provisions:		
1. The State Banking Department, and the Departments of Corporations, Real Estate, and Savings and Loan shall submit a joint report on or before November 1, 1993, to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary regulatory programs into a single department, in accordance with the recommendation of the Office of the Legislative Analyst in its Analysis of the 1993–94 Budget Bill.		
2240-001-001—For support of Department of Housing and Community Development		3,992,000
Schedule:		
(a) 10-Codes and Standards Program	19,130,000	
(b) 20-Community Affairs Program...	14,745,000	
(c) 30-Housing Policy Development Program.....	951,000	
(d) 50.01-Administration	12,168,000	
(e) 50.02-Distributed Administration .	−12,168,000	
(ex) Unallocated Reduction.....	−704,000	
(f) Reimbursements.....	−5,512,000	
(g) Amount payable from the Mobilehome Park Revolving Fund (Item 2240-001-245)	−3,589,000	

Item		Amount
(h) Amount payable from the Manufactured Home License Fee Account, General Fund (Item 2240-001-451)		−2,203,000
(i) Amount payable from the Mobilehome Park Purchase Fund (Item 2240-001-530)		−515,000
(j) Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-635)		−306,000
(k) Amount payable from the Mobilehome-Manufactured Home Revolving Fund (Item 2240-001-648)		−12,183,000
(*l*) Amount payable from the Self-Help Housing Fund (Item 2240-001-813)		−207,000
(m) Amount payable from the Federal Trust Fund (Item 2240-001-890)		−2,687,000
(n) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-929)		−1,022,000
(o) Amount payable from the Homeownership Assistance Fund (Item 2240-001-936)		−236,000
(p) Amount payable from the Rental Housing Construction Fund (Item 2240-001-938)		−1,063,000
(q) Amount payable from the Urban Predevelopment Loan Fund (Item 2240-001-980)		−364,000
(r) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-985)		−243,000
Provisions:		
1. Of the amount appropriated in this item, $328,000 shall be allocated to the Rural Development Assistance Program (RDAP).		
2240-001-245—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome Park Revolving Fund		3,589,000
2240-001-451—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Manufactured Home License Fee Account, General Fund		2,203,000

Item	Amount
Provisions: 1. Notwithstanding Section 18077 of the Health and Safety Code, or any other provision of law, the first revenues received by the Manufactured Home License Fee Account in the amount appropriated in this item shall be available to the Department of Housing and Community Development for support, collection, administration and enforcement of Manufactured Home License Fees, as appropriated by this act. The Controller shall not transfer funds appropriated by this act for these purposes. 2. Notwithstanding Section 18077.5 or any other provision of law, the department shall not be required to comply with the reporting requirement of Section 18077.5 of the Health and Safety Code.	
2240-001-530—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome Park Purchase Fund	515,000
2240-001-635—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Rural Predevelopment Loan Fund	306,000
2240-001-648—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome-Manufactured Home Revolving Fund	12,183,000
2240-001-813—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Self-Help Housing Fund	207,000
2240-001-890—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Federal Trust Fund	2,687,000
2240-001-929—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Housing Rehabilitation Loan Fund	1,022,000
2240-001-936—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Homeownership Assistance Fund	236,000

Item	Amount
2240-001-938—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Rental Housing Construction Fund	1,063,000
2240-001-980—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Urban Predevelopment Loan Fund	364,000
2240-001-985—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Emergency Housing and Assistance Fund	243,000
2240-011-635—For transfer by the Controller from the Rural Predevelopment Loan Fund to the General Fund	(2,600,000)
Provisions:	
1. Notwithstanding any other provision of law, on June 30, 1994 $2,600,000 shall be transferred from the Rural Predevelopment Loan Fund to the General Fund.	
2. A total of $306,000 shall be retained in the fund for administration and monitoring of loans made from the fund, as appropriated by this act.	
2240-011-980—For transfer by the Controller from the Urban Predevelopment Loan Fund to the General Fund	(4,800,000)
Provisions:	
1. Notwithstanding any other provision of law, on June 30, 1994 $4,800,000 shall be transferred from the Urban Predevelopment Loan Fund to the General Fund.	
2. A total of $364,000 shall be retained in the fund for administration and monitoring of loans made from the fund, as appropriated by this act.	
2240-101-001—For local assistance, Department of Housing and Community Development	3,802,000
Schedule:	
(a) 20-Community Affairs	75,755,000
(b) Amount payable from the Federal Trust Fund (Item 2240-101-890)	−71,953,000
Provisions:	
1. No farm worker housing center shall be closed as a result of budgetary reductions unless and until the Department of Housing and Community Development increases rents at farm worker centers to approximately the same lev-	

Item		Amount
els as charged by the United States Farmers Home Administration.		
2240-101-843—For local assistance, Department of Housing and Community Development, payable from the California Housing Trust Fund		(2,600,000)
Schedule:		
(a) For transfer to the Special Deposit Fund—Office of Migrant Services (942)	(600,000)	
(b) For transfer to the Emergency Housing and Assistance Fund (985)	(2,000,000)	
2240-101-890—For local assistance, Department of Housing and Community Development, for payment to Item 2240-101-001, payable from the Federal Trust Fund		71,953,000
2240-111-451—For transfer by the Controller from the Manufactured Home License Fee Account to the General Fund		(10,757,000)
Provisions:		
1. Notwithstanding any other provision of law, $10,757,000 shall be transferred from the Manufactured Home License Fee Account to the General Fund.		
2240-111-936—For transfer by the Controller from the Homeowner Assistance Fund to the General Fund		(121,000)
Provisions:		
1. Notwithstanding any other provision of law, $121,000 shall be transferred from the Homeowner Assistance Fund to the General Fund.		
2240-495—Reversion, Department of Housing and Community Development. As of June 30, 1993, funds 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 702 of the Statutes of 1992 for administration of the HOME program.		−$802,000
2290-001-217—For support of Department of Insurance, payable from the Insurance Fund		77,444,000
Schedule:		
(a) 10-Regulation of Insurance Companies and Insurance Producers..	70,647,000	
(b) 20-Fraud Control	10,793,000	
(c) 30-Tax Collection and Audit	1,624,000	
(e) 50.01-Administration	22,080,000	
(f) 50.02-Distributed Administration..	−22,080,000	

Item		Amount
(g) Unallocated Reduction	−5,620,000	
Provisions:		
1. Of the funds appropriated in this item, the Controller shall transfer $2,672,000 as of July 1, 1993, to the Department of Aging for support of the Health Insurance Counseling and Advocacy Program.		
2. Of the funds appropriated in this item, the Controller shall transfer $378,000 as of July 1, 1993, to the State and Consumer Services Agency for support of the Office of Insurance Advisor, to provide assistance to the Governor on insurance related matters.		
3. Of the funds appropriated in this item, an amount not to exceed $600,000 shall be used solely to cover intervenor compensation costs allowable under subdivision (b) of Section 1861.10 of the Insurance Code.		
2290-011-217—For transfer by the Controller from the reserve of the Insurance Fund to the General Fund.....		(6,985,000)
Provisions:		
1. Notwithstanding any other provision of law, on June 30, 1994, upon order of the Director of Finance, the Controller shall transfer from the Insurance Fund reserve to the General Fund any amount in excess of $956,000. The Director of Finance shall determine the amount in excess of $956,000.		
2290-101-217—For local assistance, Department of Insurance, Program 20-Fraud Control, payable from the Insurance Fund		13,712,000
2310-001-400—For support of the Office of Real Estate Appraisers payable from the Real Estate Appraisers Regulatory Fund.....		1,897,000
Schedule:		
(a) 10-Administration of the Real Estate Appraisers Program	1,929,000	
(b) Reimbursements.....	−32,000	
2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund.....		25,552,000
Schedule:		
(a) 10-Licensing and Education.....	6,401,000	
(b) 20-Regulatory and Recovery.....	15,191,000	
(c) 30-Subdivisions.....	4,835,000	
(d) 40.10-Administration	3,538,000	

Item		Amount
(e) 40.20-Distributed Administration	−3,538,000	
(f) Reimbursements	−875,000	

Provisions:

1. The Departments of Banking, Corporations, Real Estate, and Savings and Loan shall submit a joint report by November 1, 1993, to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary regulatory programs into a single department, in accordance with the recommendation of the Office of the Legislative Analyst in its Analysis of the 1993–94 Budget Bill.

2340-001-337—For support of Office of Savings and Loan, payable from the Savings Association Special Regulatory Fund 450,000

Schedule:

(a) 100000-Personal Services	230,000
(b) 300000-Operating Expenses and Equipment	220,000

Provisions:

1. The amount appropriated in this item shall be used only to fund the salary, benefits, and other expenses for administration of the Office of Savings and Loan. Other expenses for the administration of the Office of Savings and Loan shall be provided by the Department of Corporations from funds appropriated under Item 2180-001-067.
2. The State Banking Department and the Departments of Corporations, Real Estate, and Savings and Loan shall submit a joint report by November 1, 1993, to the Joint Legislative Budget Committee and to the respective fiscal and policy committees of the Legislature on implementing the consolidation of lender-fiduciary regulatory programs into a single department, in accordance with the recommendation of the Office of the Legislative Analyst in its Analysis of the 1993–94 Budget Bill.

2340-011-337—For transfer by the Controller from the Savings Association Special Regulatory Fund to the General Fund as of June 30, 1993 ..... (1,916,000)

Provisions:

1. Notwithstanding any other provision of law, $1,916,000 shall be transferred from the Savings

Item		Amount
Association Special Regulatory Fund to the General Fund.		
2600-001-042—For support of California Transportation Commission, for payment to Item 2600-001-046, payable from the State Highway Account, State Transportation Fund		148,000
2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund		1,109,000
Schedule:		
(a) 10-Administration of California Transportation Commission	1,257,000	
(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-042)	—148,000	
Provisions:		
1. No funds appropriated in this item shall be used for out-of-state travel expenses. Of the funds appropriated in this item, no more than $55,000 shall be used for in-state travel.		
2640-101-046—For local assistance, Special Transportation Programs, notwithstanding Section 99312 of the Public Utilities Code, for allocation by the Controller, payable from the Transportation Planning and Development Account, State Transportation Fund		54,300,000
Provisions:		
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than $23,000 of the amount appropriated by this item shall fund the federal match requirement of the Transit Management Assistance program, and not more than $52,250 of the amount appropriated by this item shall reimburse the Controller for expenditures for administration of State Transportation Assistance funds.		
2660-001-041—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Aeronautics Account, State Transportation Fund		2,473,000
2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund		1,160,655,000
Schedule:		
(a) 10-Aeronautics	3,000,000	

Item		Amount
(b)	20-Highway Transportation	1,686,538,000
	(1) 20.10.101-Flexible Congestion Relief	(208,343,000)
	(2) 20.10.102-Interregional Road System	(38,599,000)
	(3) 20.10.103-Soundwalls.....	(12,940,000)
	(4) 20.10.204-Other Highway Construction.....	(4,953,000)
	(5) 20.10.205-Rehabilitation and Safety	(90,037,000)
	(6) 20.10.300-Traffic Systems Management	(8,639,000)
	(7) 20.10.400-State Support for Locally Funded Projects.....	(63,587,000)
	(8) 20.30-Local assistance.....	(13,118,000)
	(9) 20.40-Program development.....	(28,214,000)
	(10) 20.60-Administration.....	(256,114,000)
	(11) 20.70-Operations	(101,345,000)
	(12) 20.80-Maintenance	(533,047,000)
	(13) Bicycle Lane Account	(10,000)
	(14) Federal Trust Fund	(256,728,000)
	(15) Reimbursements	(62,893,000)
	(16) Seismic Safety Retrofit Account.....	(7,971,000)
(c)	30-Mass Transportation	98,980,000
(d)	40-Transportation Planning	17,141,000
(e)	50.01-Administration	164,159,000
(f)	50.02-Distributed Administration.....	−218,879,000
(g)	Reimbursements.....	−69,886,000

Item		Amount
(h)	Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-041) .	−2,473,000
(i)	Amount payable from the State Highway Account, State Transportation Fund (Item 2660-025-042)	−151,884,000
(j)	Amount payable from the Bicycle Lane Account, State Transportation Fund (Item 2660-001-045)	−10,000
(k)	Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-001-046)	−57,349,000
(*l*)	Amount payable from the Federal Trust Fund (Item 2660-001-890)	−300,711,000
(m)	Amount payable from Seismic Safety Retrofit Account, State Transportation Fund (Item 2660-025-056)	−7,971,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of any of the amounts scheduled within Item 2660-001-042 may be transferred to Item 2660-101-042, Item 2660-025-042, Item 2660-125-042 or Item 2660-325-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Upon approval of the California Transportation Commission and the Department of Finance, 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 this act, 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.

Item	Amount
3. From funds appropriated by this item, the Department of Transportation 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.	
4. Of the funds appropriated in this item, $21,242,000 shall be expended only for New Technology in accordance with Section 203 of the Streets and Highways Code.	
5. Of the funds appropriated in this item for Program 30-Mass Transportation, $4,200,000 and 4.5 Personnel Years shall be for the purposes of Assembly Bill 2064 of the 1993–94 Regular Session.	
6. Of the amounts appropriated in this item, the Department of Transportation may provide a grant of $250,000 to San Jose State University for support of the congressionally created International Institute for Surface Transportation Policy Studies (IISTPS). This grant shall be made available to the University in advance of program expenditures by IISTPS. The purpose of the grant is to help accomplish the department's program goals and to match federal grants to the IISTPS.	
7. No funds appropriated in this item shall be expended to conduct a high-speed rail study.	
2660-001-045—For support of Department of Transportation, for payment 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 payment to Item 2660-001-042, payable from the Transportation Planning and Development Account, State Transportation Fund	57,349,000
Provisions:	
1. For Program 30—Mass Transportation. $27,910,000 of the funds appropriated in this item shall be allocated, as directed by the California Transportation Commission, pursuant to Section 99316 of the Public Utilities Code.	
2660-001-890—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Federal Trust Fund	300,711,000

Item Amount

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of any of the amounts scheduled within Item 2660-001-890 may be transferred to Item 2660-101-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. 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.
4. Of the funds appropriated in this item, $14,164,000 shall be expended only for New Technology according to Section 203 of the Streets and Highways Code.

2660-002-042—For support of Department of Transportation, payable from the State Highway Account, to be used exclusively for the support of the Intercity High-Speed Rail Committee at the direction of the committee pursuant to Senate Concurrent Resolution 6 of the 1993–94 Regular Session 4,275,000

2660-003-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund, to be used exclusively for capital outlay support or capital outlay related to seismic retrofit of toll bridges 32,000,000

2660-003-987—For support of Department of Transportation, payable from Consolidated Toll Bridge Funds, State Transportation Fund, to be used exclusively for capital outlay support for the seismic retrofit of toll bridges 8,000,000

Provisions:

1. The funding of seismic safety retrofit expenditures with toll bridge funds shall be limited to the 1993–94 fiscal year and shall not constitute a

Item	Amount
precedent for expenditures or appropriations of toll bridge funds in future fiscal years.	
2660-011-041—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund, as prescribed by Section 21682.5 of the Public Utilities Code	(30,000)
2660-011-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the General Fund	(35,000,000)
Provisions:	
1. Notwithstanding any other provision of law, $35,000,000 from the Rentals of State Property funds in the State Highway Account, State Transportation Fund, shall be transferred to the General Fund.	
2660-012-494—For transfer by the State Controller to the General Fund, notwithstanding any other provision of law, all the interest earned from the Surplus Money Investment Fund, and interest earned on loans to local agencies from the Local Airport Loan Account, for the period July 1, 1993, through June 30, 1994, as determined by the Controller and Director of Finance, shall be transferred from the following funds to the General Fund on June 30, 1994:	
Local Airport Loan Account (fund 052)	
State Highway Account, State Transportation Fund (fund 042)	
Aeronautics Account, State Transportation Fund (fund 041)	
Bicycle Lane Account, State Transportation Fund (fund 045)	
Environmental Enhancement and Mitigation Demonstration Program Fund (fund 183)	
Motor Vehicle Fuel Account, Transportation Tax Fund (fund 061)	
Transportation Planning and Development Account, State Transportation Fund (fund 046)	
2660-013-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Motor Vehicle Account, State Transportation Fund	(130,000,000)

Item	Amount
2660-021-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund, as prescribed by Section 194 of the Streets and Highways Code	(16,533,000)
2660-022-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Environmental Enhancement and Mitigation Demonstration Account, State Transportation Fund, as prescribed by Chapter 106, Statutes of 1989	(9,746,000)
2660-023-046—For transfer by the Controller from the Transportation Planning and Development Account, State Transportation Fund, to the General Fund, an amount up to $91,500,000 to pay the principal and interest on bonds sold pursuant to the Passenger Rail and Clean Air Bond Act of 1990 (Ch. 17 (commencing with Sec. 2701), Div. 3, S.& H.C.), and the Clean Air and Transportation Improvement Act of 1990 (Ch. 6 (commencing with Sec. 99690), Pt. 11.5, Div. 10, P.U.C.)	(91,500,000)

Provisions:

1. The transfer made pursuant to this item shall be a loan from the Transportation Planning and Development Account to the General Fund and the loan shall be repaid with interest calculated at the Pooled Money Investment Account rate.
2. The amounts transferred pursuant to this item shall be reduced by any interest earned by undisbursed proceeds of the bonds specified above in this item.

   The Controller shall reduce the amount of transfers from the Transportation Planning and Development Account, that would otherwise be made by Provision (1) of this item, by the amount of interest earned on the bond proceeds.
3. Any amounts transferred to the General Fund from the Transportation Planning and Development Account, State Transportation Fund, not needed to pay the debt service specified in this item, may be used to augment the appropriation for local assistance Program 30—Mass Transportation (Item 2660-101-046). The augmentation shall require the prior approval of the California

Item	Amount
Transportation Commission and the Department of Finance.	
2660-024-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Seismic Safety Retrofit Account, State Transportation Fund, as prescribed by Chapter 1082, Statutes of 1990	(7,971,000)
2660-025-042—For support of Department of Transportation (Proposition 111), for payment to Item 2660-001-042, payable from the State Highway Account, State Transportation Fund	151,884,000
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of any of the amounts scheduled within Item 2660-025-042 may be transferred to Item 2660-101-042, Item 2660-001-042, Item 2660-125-042 or Item 2660-325-042, only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
2. Funds appropriated in this item shall be available for Advances to the Transportation Revolving Account, State Transportation Fund as prescribed by Section 181 of the Streets and Highways Code.	
3. For Program 20—Highway Transportation. Notwithstanding other provision of law, any amount scheduled within this item may be transferred to Item 2660-001-042 to allow the proper recording of expenditures as they relate to Proposition 111 funding. This transfer shall require the prior approval of the Department of Finance.	
2660-025-056—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Seismic Safety Retrofit Account	7,971,000
2660-028-042—Any amounts transferred to the General Fund from the State Highway Account in the State Transportation Fund pursuant to Item 2660-023-042 of the 1992–93 Budget Act shall constitute a loan to the General Fund and shall be repaid with interest, at the Pooled Money Investment Account rate, not later than 24 months following the date of the transfer.	

Item	Amount
2660-028-046—Any amounts transferred to the General Fund from the Transportation Planning and Development Account, State Transportation Fund, pursuant to Item 2660-023-046 of Section 2.00 of Chapter 587 of the Statutes of 1992 (Budget Act of 1992), shall constitute a loan to the General Fund and shall be repaid with interest, at the Pooled Money Investment Account rate.	
2660-101-042—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund	20,100,000
2660-101-045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Lane Account, State Transportation Fund	350,000
2660-101-046—For local assistance, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund	33,532,000
Schedule:	
(a) 30-Mass Transportation 29,500,000	
(b) 40-Transportation planning..... 4,032,000	
Provisions:	
1. Notwithstanding any other provision of law, the funds appropriated in this item for Transit Capital Improvements shall be available for expenditures or reallocation, as directed by the California Transportation Commission, during the 1993–94, 1994–95 and 1995–96 fiscal years.	
2. Total expenditures for Transit Capital Improvements shall not exceed $43,007,000 cumulatively in Items 2660-101-046 and 2660-125-046.	
2660-101-756—For local assistance, Department of Transportation (Proposition 108), Program 30—Mass Transportation, payable from the Passenger Rail and Clean Air Bond Fund of 1990	14,816,000
Provisions:	
1. Notwithstanding other provision of law, the funds appropriated in this item shall be available for expenditures during the 1993–94, 1994–95 and 1995–96 fiscal years. Also, any amount scheduled within this item may be transferred to Item 2660-301-756 with prior approval of the California Transportation Commission and the Department of Finance.	

Item Amount

2660-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund 441,084,000

Schedule:

(a) 20-Highway Transportation 400,000,000
(b) 30-Mass Transportation 14,584,000
(c) 40-Transportation Planning 26,500,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts scheduled within Item 2660-101-890, may be transferred to Item 2660-001-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
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.

2660-125-042—For local assistance, Department of Transportation (Proposition 111), payable from the State Highway Account, State Transportation Fund 278,267,000

Schedule:

(a) 20.25-State-Local Partnership 160,000,000
(b) 20.30-Local Assistance 63,000,000
(c) 30-Mass Transportation 93,767,000
(d) Amount payable from Transportation Planning and Development Account (Item 2660-126-046) .....—38,500,000

Provisions:

1. Notwithstanding other provisions of law, the funds appropriated in Schedule (a) shall be available for expenditures during the 1993–94, 1994–95, 1995–96 and 1996–97 fiscal years.
2. Notwithstanding other provisions of law, the funds appropriated in Schedule (c) shall be

Item		Amount
	available for expenditures during the 1993–94, 1994–95, and 1995–96 fiscal years.	
	3. Notwithstanding other provisions of law, any amount appropriated in this item may be transferred to Item 2660–325-042 with prior approval of the California Transportation Commission and the Department of Finance.	
	4. The funds appropriated in Schedule (c) are for flexible congestion relief projects and guideways transit capital improvement projects.	
	5. Notwithstanding other provisions of law, up to 5 percent of any amounts scheduled within this item may be transferred to Item 2660-001-042, Item 2660-025-042, and Item 2660-325-042 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.	
	6. Of the amount appropriated for Program 20.25, $200,000,000 shall be the amount used to calculate the state match for the State-Local Partnership Program for the 1993–94 fiscal year.	
	7. Total expenditures in the 1993–94 fiscal year for Cycle 1, 2, 3, and 4 projects for the State-Local Partnership Program shall not exceed $165,000,000 without the prior approval of the Director of Finance. Expenditures in the 1993–94 fiscal year for Cycle 1, 2, and 3 projects shall have priority over Cycle 4 projects.	
	8. Notwithstanding other provisions of law, the June 15 deadline for applicants to inform the Department of Transportation whether or not they can proceed with State-Local Partnership Program projects is extended to a date 30 days after the enactment of this act. This extension applies to all eligible projects included in Cycle 4 of the program that are to be funded with funds appropriated in this item.	
	9. Notwithstanding any other provision of law, the June 30 deadline for applicants to submit applications for eligible State-Local Partnership Program projects to the Department of Transportation for Cycle 5 of the program is extended to a date 45 days after the enactment of this act.	

Item	Amount
2660-125-046—For local assistance, Department of Transportation Program 30—Mass Transportation (Proposition 111), payable from the Transportation Planning and Development Account, State Transportation Fund	56,800,000
Provisions:	
1. Notwithstanding any other provision of law, the funds appropriated in this item for Transit Capital Improvements shall be available for expenditures or reallocation, as directed by the California Transportation Commission, during the 1993–94, 1994–95 and 1995–96 fiscal years.	
2. Total expenditures for Transit Capital Improvements shall not exceed $43,007,000 cumulatively in Items 2660-101-046 and 2660-125-046.	
2660-125-183—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund	9,892,000
2660-126-046—For local assistance, Department of Transportation, for payment to Item 2660-125-042, payable from the Transportation Planning and Development Account	38,500,000
2660-302-046—For capital outlay, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund	0
Schedule:	
(a) 30-Mass Transportation 67,826,000	
(b) Reimbursements −67,826,000	
2660-301-756—For capital outlay, Department of Transportation, Program 30—Mass Transportation, payable from the Passenger Rail and Clean Air Bond Fund of 1990	9,993,000
Provisions:	
1. Notwithstanding other provisions of law, any amounts scheduled within this item may be transferred to Item 2660-101-756. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance. These tranfers of funds shall be available for expenditure during the 1993–94, 1994–95 and 1995–96 fiscal year.	
2660-301-890—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the Federal Trust Fund	1,275,149,000

Item Amount

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of the amounts scheduled within Item 2660-301-890, may be transferred to Item 2660-001-890 or Item 2660-101-890 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. Provisions 2, 3 and 5 of Item 2660-325-042 are also applicable to this item.
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.
5. For Program 20—Highway Transportation. Notwithstanding other provisions of law, any amounts scheduled for Flexible Congestion Relief projects and for Traffic Systems Management projects may be transferred to Item 2660-101-890 for local transportation projects pursuant to the allocation of projects funds by the California Transportation Commission. These transfers shall require the prior approval of the California Transportation Commission and Department of Finance. These transfers of funds shall be available for expenditure during 1993–94, 1994–95 and 1995–96 fiscal years.
6. Notwithstanding any other provision of law, expenditures funded by this appropriation may utilize the funding provisions of Chapters 194 and 195 of the Statutes of 1991.
7. For Program 20—Highway Transportation. The funds appropriated in this item shall not be used for the construction of noise attenuation barriers that may obstruct views from any portion of the state highway system that has been officially designated as a state scenic highway, pursuant

Item		Amount
to Article 2.5 (commencing with Section 260) of Chapter 2 of Division 1 of the Streets and Highways Code.		
2660-311-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund		2,313,000
Schedule:		
(1.1) 20.20.501-Minor Projects	1,184,000	
(2) 20.20.502-Sacramento Headquarters: Fire, Life, and Safety Improvements—Preliminary plans and working drawings	186,000	
(3) 20.20.503-Fresno District 6: New Headquarters Building—Preliminary plans and working drawings	943,000	
Provisions:		
1. For Program 20—Highway Transportation. Savings on projects within Category 1.1 of this item may be used by the California Transportation Commission to augment other projects within this item.		
2. For Program 20—Highway Transportation. Up to 20 percent of this item may be transferred from Item 2660-325-042 of this act to enable the California Transportation Commission to allocate supplemental funds to projects within 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 those funds to any project.		
2660-325-042—For capital outlay, Department of Transportation (Proposition 111), payable from the State Highway Account, State Transportation Fund		366,862,000
Schedule:		
(a) 20-Highway Transportation	1,056,962,000	
(1) 20.20.101 Flexible Congestion Relief	(132,961,000)	
(2) 20.20.102 Interregional Road System	(13,688,000)	
(3) 20.20.103 Soundwalls	(1,483,000)	
(4) 20.20.204 Other Highway Construction	(32,318,000)	
(5) 20.20.205 Rehabilitation and Safety	(161,820,000)	

Item		Amount
(6) 20.20.300 Traffic Systems Management		(24,592,000)
(7) Reimbursements		(690,100,000)
(b) Reimbursements		−690,100,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of the amounts scheduled within Item 2660-325-042 may be transferred to Item 2660-001-042, Item 2660-101-042, Item 2660-025-042 or Item 2660-125-042 of this act only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Program or Highway System Operation and Protection Plan adopted by the commission or the department's Traffic Systems Management Program.
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, 1993, the department shall submit to the Controller the estimated amounts to be reverted as of June 30, 1993, from the 1991–92 and 1992–93 fiscal year appropriations.
4. For Program 20—Highway Transportation. Notwithstanding other provisions of law, any amounts scheduled within this item for Flexible Congestion Relief projects, State-Local Transportation Partnership projects, and for Traffic Systems Management projects may be transferred to Item 2660-101-042 or Item 2660-125-042 for local transportation projects pursuant to the allocation of project funds by the California Transportation Commission. These transfers

Item Amount

shall require the prior approval of the California Transportation Commission and the Department of Finance. These transfers of funds shall be available for expenditure during the 1993–94, 1994–95, 1995–96, and 1996–97 fiscal year.

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.
6. Notwithstanding any other provision of law, expenditures funded by this appropriation may utilize the funding provisions of Chapter 194/91 and Chapter 195/91.
7. For Program 20—Highway Transportation. None of the funds appropriated in this item shall be used for the construction of noise attenuation barriers that may obstruct views from any portion of the state highway system that has been officially designated as a state scenic highway pursuant to Article 2.5 (commencing with Section 260) of Chapter 2 of Division 1 of the Streets and Highways Code.

2660-399-042—For the Department of Transportation, for final cost accounting of projects funded by both state and federal funds for which appropriations have expired, for state operations, local assistance, or capital outlay, payable from the State Highway Account, State Transportation Fund. Funds appropriated in this item shall be available for expenditure until June 30, 1994..... 5,000,000

Provisions:

1. Notwithstanding other provisions of law, the Director of Finance may authorize amounts from funds 041 and 046 for the same purposes as provided in this item. The total amount to be expended for the purposes of this item shall not exceed $5,000,000 in total from the three specified funds.

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, 1994. In addition, the amounts specified below are

Item Amount

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 1988—$5,000,000

(2) Item 2660-301-042, Budget Act of 1989—$10,000,000

(3) Item 2660-301-042, Budget Act of 1990—$10,000,000

890—For Program 20—Highway Transportation, payable from the Federal Trust Fund

(1) Item 2660-301-890, Budget Act of 1988—$5,000,000

(2) Item 2660-301-890, Budget Act of 1989—$10,000,000

(3) Item 2660-301-890, Budget Act of 1990—$10,000,000

2660-491—Reappropriation—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

(1) Item 2660-101-042, Budget Act of 1988, Program 30

(2) Item 2660-101-042, Budget Act of 1992, Program 20

045—Bicycle Lane Account

(1) Item 2660-101-045, Budget Act of 1992, Program 20

046—Transportation Planning and Development Account

(1) Item 2660-101-046, Budget Act of 1985, Program 30

Item Amount

(2) Item 2660-301-046, Budget Act of 1985, Program 30 (Reimbursements)
(3) Item 2660-301-046, Budget Act of 1986, Program 30 (Reimbursements)
(4) Item 2660-101-046, Budget Act of 1988, Program 30
(5) Item 2660-301-046, Budget Act of 1988, Program 30
(6) Item 2660-301-046, Budget Act of 1988, Program 30 (Reimbursements)
890—Federal Trust Fund
(1) Item 2660-301-890, Budget Act of 1986, Program 30

2660-492—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the balance as of June 30, 1993, 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, 1994.
046—Transportation Planning and Development Account
(1) Item 2660-101-046, Budget Act of 1989, Program 30
429—Local Jurisdiction Energy Assistance Account
(1) Chapter 1343, Statutes of 1986
042—State Highway Account
(1) Chapter 1472, Statutes of 1988
(2) Item 2660-101-042, Budget Act of 1990, Program 30
056—Seismic Safety Retrofit Account
(1) Chapter 18, Statutes of 1989
(a) Local Assistance
(b) Capital Outlay
853—Petroleum Violation Escrow Account
(1) Chapter 1648, Statutes of 1990
(2) Chapter 1434, Statutes of 1988
(3) Chapter 1435, Statutes of 1988
(4) Chapter 1428, Statutes of 1988
(5) Chapter 1427, Statutes of 1988

2660-493—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the balance as of June 30, 1993, 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, 1994.

Item	Amount
853—Petroleum Violation Escrow Account (PVEA)	
(1) Item 2660-101-853, Budget Act of 1992.	
2660-494—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the appropriations in the following citations are reappropriated to enable the collection of outstanding federal reimbursements as of the end of June 30, 1993. These appropriations shall be available until June 30, 1994:	
890—Federal Trust Fund	
(1) Item 2660-001-890, Budget Act of 1987	
(2) Item 2660-001-890, Budget Act of 1988	
Also, the amount needed from the following citation for State-Local Transportation Partnerships projects awarded in the 1992–93 fiscal year is reappropriated and shall be available for expenditures until June 30, 1996.	
042—State Highway Account	
(1) Item 2660-125-042, Budget Act of 1992	
(a) 20.25 State-Local Partnership	
2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund	317,000
Schedule:	
(a) 10-California Traffic Safety 14,745,000	
(b) Reimbursements..... −25,000	
(c) Amount payable from the Federal Trust Fund (Item 2700-001-890) .. −14,403,000	
2700-001-890—For support of Office of Traffic Safety, for payment to Item 2700-001-044, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00	14,403,000
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	10,682,000
2720-001-042—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the State Highway Account, State Transportation Fund	15,584,000
2720-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund	640,578,000
Schedule:	
(a) 10-Traffic Management..... 603,258,000	
(b) 20-Regulation and Inspection 60,928,000	
(c) 30-Vehicle Ownership Security.... 14,257,000	

Item		Amount
(d)	40.01-Administration	129,857,000
(e)	40.02-Distributed Administration	−129,857,000
(f)	Reimbursements	−15,506,000
(g)	Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-840)	−1,766,000
(h)	Amount payable from the Asset Forfeiture Fund (Item 2720-001-847)	−2,074,000
(i)	Amount payable from the Federal Trust Fund (Item 2720-001-890)	−2,735,000
(j)	Amount payable from the State Highway Account (Item 2720-001-042)	−15,584,000
(k)	Amount payable from the Hazardous Substance Account (Item 2720-001-942)	−200,000

Provisions:

1. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the California Highway Patrol, with the approval of the Department of Finance, may enter into a lease-purchase agreement or a lease with option to purchase with an initial option purchase price over $2,000,000 to provide adequate office and parking facilities for area offices in Oceanside and Porterville.

2720-001-840—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the California Motorcyclist Safety Fund 1,766,000

2720-001-847—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Asset Forfeiture Fund . 2,074,000

2720-001-890—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Federal Trust Fund 2,735,000

2720-001-942—For support of Department of California Highway Patrol, payable from the Hazardous Substance Account/Special Deposit Fund 200,000

Item	Amount
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 1993–94 fiscal year, for delivery beginning in the 1994–95 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 ..	20,894,000
Schedule:	
(1) 50.01.001-Minor Projects.....	749,000
(2) 50.11.042-Sacramento: New Logistical Facility (West Sacramento Site)—Equipment.....	1,064,000
(3) 50.45.450-Fort Tejon: Purchase of Leased Facility	1,144,000
(4) 50.46.460-Hanford: Purchase of Leased Facility.....	1,425,000
(5) 50.52.520-Newhall: Purchase of Leased Facility.....	4,781,000
(6) 50.53.530-West Los Angeles: Purchase of Leased Facility.....	7,732,000
(7) 50.71.701-San Luis Obispo: New Facility—Construction.....	3,979,000
(8) 50.90.900-Statewide: Property Options and Appraisals—Planning...	20,000
Provisions:	
1. The funds appropriated in Category (8) shall be available for expenditure only during the 1993–94 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 1994–95 fiscal year.	
2720-490—Reappropriation, Department of the California Highway Patrol. The balance available in the appropriation provided in the following citation is reappropriated for the purpose of extending the liquidation period until June 30, 1994.	
044—Motor Vehicle Account, State Transportation Fund	
(1) Item 2720-001-044, Budget Act of 1990, Program 10-Traffic Management: to complete computer-aided dispatch and related telecommunications purchases.	
2740-001-001—For support of Department of Motor Vehicles, for payment to Item 2740-001-044	60,000

Item		Amount
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		460,984,000
Schedule:		
(a) 11-Vehicle/Vessel Identification and Compliance	279,913,272	
(b) 22-Driver Licensing and Personal Identification	142,031,800	
(c) 25-Driver Safety	65,154,832	
(d) 32-Occupational Licensing and Investigative Services	27,946,096	
(e) 35-New Motor Vehicle Board	1,451,000	
(f) 41.01-Administration	62,404,000	
(g) 41.02-Distributed Administration	−62,404,000	
(h) Reimbursements	−13,964,000	
(i) Amount payable from the General Fund (Item 2740-001-001)	−60,000	
(j) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-054)	−1,451,000	
(k) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-064)	−35,584,000	
(*l*) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-516)	−4,385,000	
(m) Amount payable from Federal Trust Fund (Item 2740-001-890)	−69,000	
Provisions:		
1. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Department of Motor Vehicles, with the approval of the Department of Finance, may enter into a lease-purchase agreement or a lease with option to purchase, with an initial option purchase price over $2,000,000 to provide adequate office and parking facilities for field offices in El Centro and Rocklin.		
2. The amount appropriated in this item includes funding for the issuance of several series of special license plates, in accordance with new statutes. These funds may be expended, for each plate series, once the Department of Motor Ve-		

Item	Amount
hicles has received 5,000 applications or reimbursement from each plate series sponsor to recover implementation costs.	
3. Of the amount appropriated in this item, $1,800,000 may be used only to pay fees owed to a contractor pursuant to the contract for collection of delinquent fees. Any of these amounts not encumbered for this purpose before July 1, 1994, shall revert as of that date.	
4. Of the amounts appropriated in this item, up to $534,000 may be expended to expand the pilot project demonstrating the use of credit card transactions at telephone service centers.	
5. Section 42205 of the Vehicle Code and the requirements of Section 11003 of the Revenue and Taxation Code regarding the allocation of the appropriate costs of the registration program in the Department of Motor Vehicles between the Vehicle License Fee Account in the Transportation Tax Fund, the State Highway Account in the State Transportation Fund and the Motor Vehicle Account in the State Transportation Account shall be superseded during the 1993–94 fiscal year. This action is taken in order to increase the distribution of Vehicle License Fee monies to cities and counties for the 1993–94 fiscal year.	
2740-001-054—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the New Motor Vehicle Board Account, State Transportation Fund	1,451,000
2740-001-064—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund	35,584,000
Provisions:	
1. Of the amounts appropriated in this item, $3,500,000 may be used only to pay fees owed to a contractor pursuant to the contract for collection of delinquent fees. Any of these amounts not encumbered for this purpose before July 1, 1994, shall revert as of that date.	
2740-001-516—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Harbors and Watercraft Revolving Fund ..	4,385,000

Item		Amount
Provisions:		
1. The funds appropriated by this item are for undocumented vessel registration and fee collection.		
2740-001-890—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Federal Trust Fund		69,000
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.		
2740-021-044—For transfer by the Controller from the Motor Vehicle Account, State Transportation Fund, to the General Fund		(30,000,000)
Provisions:		
1. Transfer revenues shall be limited to net receipts from the sale of information and identification cards.		
2740-301-044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		10,996,000
Schedule:		
(1) 71.01.000-Minor Projects	703,000	
(2) 71.03.020-Joint Headquarters Complex—Study	285,000	
(3) 71.18.010-Norco: Purchase of Leased Facility	2,266,000	
(4) 71.19.010-San Diego Office: Remodel—Working drawings and construction	814,000	
(7) 71.22.010-Statewide: Budget Package Preparation	15,000	
(8) 71.24.010-Arvin: Purchase of Leased Facility	573,000	
(9) 71.25.010-Indio: Purchase of Leased Facility	1,065,000	
(10) 71.32.010-Sacramento Public Counter: Purchase of Leased Facility	5,275,000	

Item Amount

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 77,575,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the data center in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.
2. The Director of the Teale Data Center shall not enter into any procurement agreement with future or multiyear expenditures for computer projects about which the Legislature has not been informed. The Director of Finance may authorize such agreement or projects to proceed no 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 joint committee, or his or her designee, may in each instance determine.

2780-011-683—For transfer by the Controller from the the Stephen P. Teale Data Center Revolving Fund to the General Fund ..... (5,000,000)

Provisions:

1. The Director of Finance is authorized to approve a loan to the Stephen P. Teale Data Center Revolving Fund in an amount sufficient to meet the cash-flow needs of the Stephen P. Teale Data Center, resulting from the transfer authorized by this time.

TRADE AND COMMERCE

2920-001-001—For support of California Trade and Commerce Agency 20,118,000

Schedule:

(a) 10-Economic Development 7,992,000

Item		Amount
(b) 20-International Trade and Investment	2,603,000	
(c) 25-Marketing and Communications	638,500	
(d) 30-Tourism	7,436,500	
(e) 40-Contracts, Grants, and Loans	1,077,500	
(f) 60-Policy and Planning	1,276,500	
(fx) Unallocated Reduction	−286,000	
(g) 70.01-Administration	2,571,000	
(h) 70.02-Distributed Administration	−2,571,000	
(i) Reimbursements	−620,000	
Provisions:		
2. It is the intent of the Legislature that any reductions made to the amounts appropriated by this item shall not be applied to the World Trade Commission program.		
3. The agency shall develop a program to provide technical, financial, marketing, and management assistance to minority-owned, women-owned, and disabled veteran-owned businesses to assist these businesses in competing for contracts, grants, and projects.		
4. Of the amount appropriated in this item, $290,000 is available for expenditure for the Small Business Loan Guarantee Program only if legislation to revise the program is enacted during the 1993–94 Regular Session.		
2920-001-145—For support of California Trade and Commerce Agency, payable from the Commerce Marketing Fund		100,000
2920-001-440—For support of California Trade and Commerce Agency, payable from the Petroleum Underground Storage Tank Financing Account		149,000
Schedule:		
(a) 10-Economic Development	102,000	
(b) 40-Contracts, Grants and Loans	47,000	
2920-001-890—For support, California Trade and Commerce Agency Program 10, Economic Development, payable from the Federal Trust Fund		211,000
2920-001-981—For support of California Trade and Commerce Agency, payable from the California State World Trade Commission Fund Program 20 International Trade and Investment		2,023,000
2920-011-001—For support of California Trade and Commerce Agency		3,923,000

Item		Amount
Schedule:		
(a) For transfer to Competitive Technology Fund	480,000	
(b) For transfer to California State World Trade Commission Fund	2,023,000	
(c) For transfer to the Small Business Expansion Fund	1,420,000	
2920-011-123—For transfer by the Controller from the Rural Economic Development Fund to the General Fund		(267,514)
Provisions:		
1. The funds transferred pursuant to this item shall be revenues derived from interest earnings accrued during the 1993–94 fiscal year.		
2920-101-001—For local assistance, California Trade and Commerce Agency		10,947,000
Schedule:		
(a) 10-Economic Development (Small Business Development Centers)	960,000	
(b) 10-Economic Development (Olympic Training Facility)	2,000,000	
(c) For transfer to the Competitive Technology Fund	7,987,000	
Provisions:		
1. Notwithstanding any other provision of law, the funds appropriated in this item for transfer to the Competitive Technology Fund may be used to fund the support costs of the Competitive Technology Program.		
2. Notwithstanding Section 15379.10 of the Government Code, all funds transferred to the Competitive Technology Fund may be awarded for discretionary technology transfer grants and projects.		
3. Of the amount appropriated in this item, $300,000 of the funds for Competitive Technology grants in the Strategic Technologies program shall be available for the nonprofit Western Commercial Space Center to: (a) modify and refurbish Space Launch Complex 6, (b) develop an engineering and design plan for a new commercial launch complex at Cypress Ridge, and (c) complete a Department of Defense/commercial space launch infrastructure needs assessment.		

Item	Amount
4. Any reductions to the appropriation made by this item shall not be applied to the World Trade Commission program.	
5. Of the amount appropriated in this item for the Strategic Technology Program, $3,100,000, appropriated for Dual Use and Defense Technology Transfer shall revert to the General Fund on April 1, 1994, if federal funding commitments for these funds have not been received by that date.	
6. The agency shall develop a program to provide technical, financial, marketing, and management assistance to minority-owned, women-owned, and disabled veteran-owned businesses to assist these businesses in competing for contracts, grants, and projects funded under this item.	
7. Of the amount appropriated in this item, $2,500,000 of the funds in schedule (c) shall only be available for developing or obtaining businesses for defense base re-use, and can be used as state matching funds for federal funds, including ARPA funds, that can be used for base reuse.	
8. Of the amount appropriated in this item, $2,000,000 shall only be available upon the enactment of AB 2222 (Lee) of the 1993 legislative session, and upon its enactment, shall only be available for the purposes of the bill.	
2920-101-439—For local assistance, California Trade and Commerce Agency, for transfer to the Petroleum Underground Storage Tank Financing Account	(4,000,000)
2920-102-440—For local assistance, California Trade and Commerce Agency Program 10-Economic Development, payable from the Petroleum Underground Storage Tank Financing Account	4,000,000
2920-101-890—For local assistance, California Trade and Commerce Agency Program 10, Economic Development (Small Business Development Centers), payable from the Federal Trust Fund	3,931,000
2920-101-922—For local assistance California Trade and Commerce Agency, payable from the California Economic Development Grant and Loan Fund, Program 10-Economic Development	1,000,000

Item	Amount
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..	354,000
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.	
3110-001-140—To the Resources Agency, Special Resources Program, Program 30-Sea Grant Program, for a grant to the University of California for support of the Sea Grant Marine Advisory Program, payable from the California Environmental License Plate Fund.....	103,000
3110-101-001—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency	819,000
Provisions:	
1. All funds appropriated in this item shall be provided to the Tahoe Regional Planning Agency within 30 days after the effective date of this act, in accordance with Section 66801 of the Government Code.	
3110-101-140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund.....	582,000
Provisions:	
1. The Tahoe Regional Planning Agency shall use the funds appropriated by this item in the following manner: $379,000 to continue the Lake Tahoe Regional Integrated Monitoring Program; $65,000 to continue the community planning process; $64,000 to continue the development and installation of the Tahoe Environmental Geographic Information System; $15,000 to continue the evaluation of the progress towards meeting environmental thresholds and standards pursuant to the Tahoe Regional Plan; $9,000 to continue mapping of stream environment zones; and, $50,000 to provide outside computer support services for the Tahoe Environmental Geographic Information System.	

Item		Amount
2. All funds appropriated in this item shall be provided to the Tahoe Regional Planning Agency within 30 days after the effective date of this act, in accordance with Section 66801 of the Government Code.		
3125-001-001—For support of California Tahoe Conservancy		676,000
Schedule:		
(a) 10-Tahoe Conservancy	2,104,000	
(b) Reimbursements	−33,000	
(c) Amount payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3125-001-164)	−343,000	
(d) Amount payable from the Habitat Conservation Fund (Item 3125-001-262)	−16,000	
(e) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-568)	−163,000	
(f) Amount payable from the Lake Tahoe Acquisitions Fund (Item 3125-001-720)	−873,000	
3125-001-164—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		343,000
3125-001-262—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Habitat Conservation Fund		16,000
Provisions:		
1. Funds appropriated by this item shall be used for purposes consistent with the requirements of the Unallocated Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.		
3125-001-568—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Tahoe Conservancy Fund		163,000
Provisions:		
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay to the County of Placer, $39,557.20 and to the County of El Dorado, $1,192.80.		
2. Fifty percent (50%) of the amount appropriated under Provision 1 above shall be used by the Counties of Placer and El Dorado for soil		

Item		Amount
erosion control projects in the Lake Tahoe region, as defined in Section 66905.5 of the Government Code.		
3125-001-720—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Lake Tahoe Acquisitions Fund		873,000
3125-101-164—For local assistance, California Tahoe Conservancy, Program 10—Tahoe Conservancy, for soil erosion control grants, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund		2,000,000
Provisions:		
1. Notwithstanding any other provision of law, the unliquidated encumbrance, as of June 30, 1994, shall be available for expenditure until June 30, 1996.		
3125-301-164—For capital outlay, California Tahoe Conservancy, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		6,550,000
Schedule:		
(a) 50.30.002-Land acquisition and site improvements—public access and recreation pursuant to Title 7.42 of the Government Code	1,100,000	
(b) 50.30.004-Land acquisition and site improvements—stream environment zones and watershed restorations, pursuant to Title 7.42 of the Government Code	1,352,000	
(c) 50.30.005-Land acquisition pursuant to Section 66907 of the Government Code	4,350,000	
(d) Reimbursements	−252,000	
Provisions:		
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.		
2. The amount appropriated by this item is available for expenditure for capital outlay or for local assistance. 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.		

Item Amount

3125-301-262—For capital outlay, California Tahoe Conservancy, payable from the Habitat Conservation Fund..... 484,000

Schedule:

(1) 50.30.003-Acquisition, restoration, and enhancement of habitat..... 484,000

Provisions:

1. The funds appropriated in this item shall be used for purposes consistent with the requirements of the Unallocated Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.
2. 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.
3. The amount appropriated by this item is available for expenditure for capital outlay or for local assistance. 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. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 1994:

140—California Environmental License Plate Fund

(1) Item 3125-101-140 of the Budget Act of 1987, as reappropriated by Item 3125-490 of the Budget Act of 1989.

(2) Section 5 of Chapter 1623 of the Statutes of 1988.

864—Lake Tahoe Assistance Fund

(1) Subdivision (b) of Section 5 of Chapter 1602 of the Statutes of 1985, as reappropriated by Item 3125-490 of the Budget Act of 1990.

890—Federal Trust Fund

(1) Item 3125-301-890 of the Budget Act of 1986.

3340-001-001—For support of California Conservation Corps..... 26,967,000

Schedule:

(a) 10-Training and Work Program... 48,897,000

Item		Amount
(b)	20.01-Administration	4,379,000
(c)	20.02-Distributed Administration	−4,379,000
(d)	Reimbursements	−14,690,000
(e)	Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465)	−5,374,000
(f)	Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-235)	−224,000
(g)	Amount payable from the Federal Trust Fund (Item 3340-001-890)	−1,642,000

Provisions:

1. The Department of Finance may make a loan from the General Fund to this item, in an amount not to exceed a cumulative total of $1,500,000, to meet cash-flow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision shall only be made if the California Conservation Corps has a valid contract or certification signed by the client agency, which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the General Fund as soon as possible, but not later than one year from the date of the loan.

3340-001-235—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund 224,000

3340-001-465—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Energy Resources Programs Account, General Fund 5,374,000

3340-001-890—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Federal Trust Fund 1,642,000

3360-001-033—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the State Energy Conservation and Assistance Account, General Fund 4,626,000

Provisions:

1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item

Item			Amount
shall be available for liquidation of encumbrances until June 30, 1997.			
3360-001-044—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Motor Vehicle Account, State Transportation Fund.			137,000
3360-001-314—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Diesel Emission Reduction Fund			789,000
3360-001-429—For support of State Energy Resources Conservation and Development Commission, payable from the Local Jurisdiction Energy Assistance Account			70,000
Provisions:			
1. Notwithstanding any other provisions of law, the commission may make energy conservation loans to school districts with less 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 average rate.			
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund			32,383,000
Schedule:			
(a) 100000-Personal Services		26,457,000	
(b) 300000-Operating Expenses and Equipment		10,230,000	
(c) Special Items of Expense		47,529,000	
(1) Export Trade and Development Program	155,000		
(2) Clean Diesel Research, Development and Demo	500,000		
(3) Energy Conservation Assistance Loans	6,844,000		
(4) Geysers Effluent Pipeline Project	2,000,000		
(5) Export Development Project	250,000		
(6) School and Hospital Grants	5,000,000		

Item		Amount
(7) Certification of compliance options	25,000	
(8) Schoolbus Demonstration Program	18,625,000	
(9) Host site for International Geothermal Secretariat	50,000	
(12) Farm and Business Assistance	500,000	
(13) International thermonuclear experimental reactor project	1,000,000	
(d) Reimbursements		−435,000
(e) Amount payable from State Energy Conservation Assistance Account (Item 3360-001-033)		−7,000,000
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044)		−137,000
(g) Amount payable from the Diesel Emission Reduction Fund (Item 3360-001-314)		−789,000
(i) Amount payable from Petroleum Violation Escrow Account (Item 3360-001-853)		−1,989,000
(j) Amount payable from the Federal Trust Fund (Item 3360-001-890)		−6,543,000
(m) Amount payable from Katz Schoolbus Fund (Item 3360-001-854)		−19,227,000
(n) Amount payable from Energy Resources Programs Account, General Fund (Public Resources Code Section 25402.1)		−25,000
(p) Amount payable from Local Government Geothermal Resources Revolving Subaccount (Item 3360-001-497)		−2,108,000
(q) Amount payable from D.P.O.E. Consent Order Proceeds Account, Special Deposit Fund (Item 3360-001-942)		−1,000,000

Provisions:

1. Of the funds appropriated in category (c) (4), the commission may provide a contingent

Item	Amount
award in an amount not to exceed $2,000,000 for a Geysers Effluent Injection Pipeline Project.	
3. Notwithstanding any other provision of law, the funds appropriated in categories (c) (2) and (c) (10) may be used by the commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.	
3360-001-497—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Local Government Geothermal Resources Revolving Subaccount, General Fund	108,000
Provisions:	
1. Notwithstanding Section 3822.2 of the Public Resources Code, the State Energy Resources Conservation and Development Commission may expend $108,000 for facilitating a host site in California for the International Geothermal Association Secretariat.	
3360-001-853—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from Petroleum Violation Escrow Account	1,989,000
Provisions:	
1. Notwithstanding Section 2.00 of this act, funds appropriated by this item shall be available for expenditure during the 1993–94 and 1994–95 fiscal years.	
3360-001-854—For support of the State Energy Resources and Development Commission, payable from the Katz Schoolbus Fund created by Section 17911 of the Education Code, for payment to Item 3360-001-465	19,227,000
3360-001-890—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Federal Trust Fund	6,543,000
3360-001-942—For support of the State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the D.P.O.E. Consent Order Proceeds Account, Special Deposit Fund	1,000,000

Item	Amount
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated by this item shall be available for expenditure during the 1993–94 and 1994–95 fiscal years.	
3360-011-033—For transfer by the Controller from the State Energy Conservation and Assistance Account, General Fund, to the General Fund	(2,374,000)
3360-011-465—For transfer by the State Controller from the Energy Resources Program Account, General Fund to the General Fund.....	(5,000,000)
3360-011-497—For transfer by the Controller from the Local Government Geothermal Resources Revolving Subaccount, General Fund, to the General Fund	(2,000,000)
3360-012-465—For transfer from the Energy Resources Program Account, General Fund to the Energy Conservation Assistance Account.....	(2,584,000)
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	1,000,000
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, 1997.	
3360-490—Reappropriation, State Energy Resources Conservation and Development Commission. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until December 31, 1993:	
853—Petroleum Violation Escrow Account:	
(1) $1,555,000 from Item 3360-001-853, Budget Act of 1992 shall be available for the Technology Development Program.	
(2) $2,216,000 from Item 3360-001-853, Budget Act of 1992 shall be available for the Energy Infra-Structure Efficiency Program.	
(3) $250,000 from Item 3360-001-853, Budget Act of 1992 shall be available for the Farm & Business Assistance Program.	

Item Amount

3360-491—Reappropriation, State Energy Resources Conservation and Development Commission. The balance of the appropriation provided in the following citation is reappropriated for the purposes provided in that appropriation, and shall be available for encumbrance and expenditure until August 31, 1993:

479—Energy Technologies Research, Development and Demonstration Account:

(1) Item 3360-001-479, Budget Act of 1992.

3360-492—Extension of liquidation period, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the funds appropriated in the following citations shall be available for liquidation until June 30, 1994:

033—State Energy Conservation and Assistance Account, General Fund:

(1) $115,000 from Item 3360-001-033, Budget Act of 1988

(2) $350,000 from Item 3360-001-033, Budget Act of 1989

465—Energy Resources Programs Account:

(1) $150,000 from Item 3360-001-465, Budget Act of 1990 shall be available for liquidation for the International Energy Development Grant Program.

(2) $240,000 from Item 3360-001-465, Budget Act of 1990 shall be available for liquidation for the Siting and Permit Assistance Program.

497—Local Government Geothermal Resources Revolving Subaccount, General Fund:

(1) $1,135,000 from Item 3360-101-497, Budget Act of 1989.

3360-493—Extension of liquidation period, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the funds appropriated in the following citation shall be available for liquidation until June 30, 1995:

479—Energy Technologies Research, Development and Demonstration Account:

(1) $15,000 from Item 3360-001-479, Budget Act of 1986.

(2) $1,225,000 from Item 3360-001-479, Budget Act of 1989.

Item Amount

(3) $2,875,000 from Item 3360-001-479, Budget Act of 1990.

3360-494—Extension of liquidation period, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the funds appropriated in the following citation shall be available for liquidation until December 31, 1995.

479—Energy Technologies Research, Development and Demonstration Account:

(1) $280,000 from Chapter 1436, Statutes of 1988, Section 1(b)(2).

3360-495—Reappropriation, State Energy Resources Conservation and Development Commission. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 1994.

853—Petroleum Violation Escrow Account:

(1) $3,725,000 from Item 3360-001-853, Budget Act of 1992 shall be available for the Technology Development Program.

(2) $2,000,000 from Item 3360-001-853, Budget Act of 1992 shall be available for the Farm and Business Assistance Program.

Provisions:

1. Notwithstanding any other provision of law, the funds reappropriated in categories 853(1) and (2) of this item may be used by the State Energy Resources Conservation and Development Commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.

3360-496—Reversion, State Energy Resources Conservation and Development Commission. As of June 30, 1993, 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.

173—California Competitive Technology Fund

(1) Chapter 66, Statutes of 1992, Section 1(a)2.

Item		Amount
3460-001-001—For support of Colorado River Board of California		195,000
Schedule:		
(a) 10-Protection of California's Colorado River Rights and Interests	918,000	
(b) Reimbursements	−712,000	
(c) 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 payment 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		13,699,000
Schedule:		
(a) 10-Geologic Hazards and Mineral Resources Conservation	13,860,000	
(b) 20-Oil, Gas, and Geothermal Protection	10,029,000	
(c) 30-Special Services for Resources Protection	1,044,000	
(d) 40.01-Administration	6,135,000	
(e) 40.02-Distributed Administration	−6,135,000	
(f) 50-Beverage Container Recycling and Litter Reduction Program	25,606,000	
(g) Reimbursements	−2,105,000	
(h) Amount payable from the Surface Mining and Reclamation Account, General Fund (Item 3480-001-035)	−1,212,000	
(i) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-042)	−12,000	
(j) Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-133)	−25,606,000	
(jx) Amount payable from the California Environmental License Plate Fund (Item 3480-001-140)	−56,000	
(k) Amount payable from the Soil Conservation Fund (Item 3480-001-141)	−826,000	

Item	Amount
(*l*) Amount payable from Hazardous and Idle-Deserted Well Abatement Fund (Public Resources Code Section 3206)	−62,000
(m) Amount payable from Mine Reclamation Account (Item 3480-001-336)	−1,174,000
(n) Amount payable from Seismic Hazards Identification Special Fund (Item 3480-001-338)	−1,555,000
(o) Amount payable from the Strong Motion Instrumentation Special Fund (Item 3480-001-398)	−3,716,000
(p) Amount payable from the Federal Trust Fund (Item 3480-001-890)	−516,000

Provisions:

1. Advertisement and marketing that targets consumers and is funded by the California Beverage Container Recycling Fund shall indicate that the California Beverage Container Recycling and Litter Reduction Act requires payment of refund values to consumers who recycle beverage containers.

3480-001-035—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Surface Mining and Reclamation Account, General Fund 1,212,000

Provisions:

1. Of the amount appropriated in this item, $480,000 shall be for the Mineral Land Classification Project.

3480-001-042—For support of Department of Conservation, for payment 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.

3480-001-133—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the California Beverage Container Recycling Fund..... 25,606,000

3480-001-140—For support of Department of Conservation, for payment to 3480-001-001, payable from the California Environmental License Plate Fund 56,000

Item			Amount
3480-001-141—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Soil Conservation Fund			826,000
3480-001-336—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Mine Reclamation Account			1,174,000
3480-001-338—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Seismic Hazards Identification Fund			1,555,000
3480-001-398—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Strong Motion Instrumentation Special Fund			3,716,000
3480-001-890—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Federal Trust Fund			516,000
3480-011-035—For transfer by the Controller to the General Fund, payable from the Surface Mining and Reclamation Account, General Fund			(660,000)
3540-001-001—For support of Department of Forestry and Fire Protection			226,977,000
Schedule:			
(a) 100000-Personal services		252,635,000	
(b) 300000-Operating expenses and equipment		111,557,000	
(c) Reimbursements		−85,857,000	
(d) Amount payable from the General Fund (Item 3540-006-001)		−20,000,000	
(e) Amount payable from the Special Account for Capital Outlay (Item 3540-001-036)		−4,441,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3540-001-140)		−5,540,000	
(g) Amount payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3540-001-164)		−596,000	
(h) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-235)		−606,000	
(i) Amount payable from the Professional Forester Registration Fund (Item 3540-001-300)		−164,000	

Item		Amount
(k) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3540-001-786)		−34,000
(*l*) Amount payable from the Federal Trust Fund (Item 3540-001-890)		−6,167,000
(m) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928)		−13,784,000
(n) Amount payable from the Timber Tax Fund (Item 3540-001-965)		−26,000

Provisions:

1. 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.
2. Notwithstanding any other provision of law, the Department of Forestry and Fire Protection is authorized to collect up to $677,000 in reimbursements for expenditure at the State Nurseries to offset an equal amount of reductions. These reimbursements shall be in addition to current revenues remitted to the General Fund from the proceeds of nursery sales.

3540-001-036—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Special Account for Capital Outlay	4,441,000
3540-001-140—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the California Environmental License Plate Fund	5,540,000
3540-001-164—For support of the Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund	596,000
3540-001-235—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	606,000
3540-001-300—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Professional Forester Registration Fund	164,000

Item	Amount
CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM	
3540-001-786—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	34,000
3540-001-890—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Federal Trust Fund	6,167,000
3540-001-928—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Forest Resources Improvement Fund	13,784,000
Provisions:	
1. Notwithstanding any other provision of law, $1,758,000 of the amount appropriated in this item shall be available for forest wildlife habitat assessment, biodiversity, forest and range research, and forest and range resources assessment programs.	
3540-001-965—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Timber Tax Fund	26,000
3540-006-001—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the General Fund	20,000,000
Provisions:	
1. These funds shall be available for emergency fire suppression and detection costs and related emergency revegetation costs and may be used for these purposes to reimburse the main support appropriation (Item 3540-001-001) only upon approval by the Director of Finance.	
2. The Director of Forestry and Fire Protection shall furnish quarterly reports on expenditures for emergency fire suppression activities to the Director of Finance, as well as to the chairperson of the committee of each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee.	
3540-011-928—For transfer by the Controller to the General Fund, payable from the Forest Resources Improvement Fund	(3,835,000)

Item		Amount
CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM		
3540-101-235—For local assistance, Department of Forestry and Fire Protection, for a grant to the East Bay Regional Park District, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		72,000
3540-101-786—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program		633,000
3540-101-890—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the Federal Trust Fund		1,593,000
3540-301-036—For capital outlay, Department of Forestry and Fire Protection, payable from the Special Account for Capital Outlay		1,274,000
Schedule:		
(12) 30.80.000-Minor projects	1,274,000	
3540-301-751—For capital outlay, Department of Forestry and Fire Protection, payable from the 1990 Prison Construction Fund		575,000
Schedule:		
(1) 30.30.005-Rainbow Conservation Camp: Lease Site-Acquisition	575,000	
3560-001-001—For support of State Lands Commission		9,369,000
Schedule:		
(a) 10-Mineral Resources Management	6,276,000	
(b) 20-Land Management	6,022,000	
(c) 30.01-Executive and Administration	2,980,000	
(d) 30.02-Distributed Administration	−2,980,000	
(e) 40-Marine Facilities Management	4,095,000	
(f) Reimbursements	−2,215,000	
(g) Amount payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund (Item 3560-001-164)	−164,000	
(h) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-320)	−4,645,000	

Item	Amount
Provisions: 1. Notwithstanding the provisions of subdivision (d) of Section 4 of Chapter 138 of the 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.	
3560-001-164—For support of State Lands Commission, for payment to Item 3560-001-001, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund	164,000
3560-001-320—For support of State Lands Commission, for payment to Item 3560-001-001, payable from the Oil Spill Prevention and Administration Fund	4,645,000
Provisions: 1. None of the funds appropriated in this item may be expended to monitor or inspect marine bunkering operations from barges or any marine lightering operations.	
3580-001-001—For support of Seismic Safety Commission	620,000
Schedule: (a) 10-Seismic Safety Commission..... 2,279,000 (b) Reimbursements..... −738,000 (c) Amount payable from the Earthquake Safety and Public Building Rehabilitation Fund of 1990 (Item 3580-011-768)..... −141,000 (d) Amount payable from the Earthquake Safety and Public Building Rehabilitation Fund of 1990..... −780,000	
3580-011-768—For support of the Seismic Safety Commission, for payment to Item 3580-001-001, payable from the Earthquake Safety and Public Building Rehabilitation Bond Fund of 1990	141,000
3580-490—Reappropration, Seismic Safety Commission. The balances available in the appropriations provided in the following citation are available for encumbrance and expenditure until June 30, 1994:	

Item		Amount
768—Earthquake Safety Public Building Rehabilitation Fund of 1990		
(1) Item 3580-011-768, Budget Act of 1992, Program 10-Seismic Safety Commission: Not more than $780,000 of the balance shall be available for expenditure. This amount shall be used for research activities pursuant to Proposition 122's earthquake safety efforts.		
3600-001-001—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the General Fund		2,997,000
3600-001-140—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the California Environmental License Plate Fund		9,828,000
3600-001-200—For support of Department of Fish and Game payable from the Fish and Game Preservation Fund		73,888,000
Schedule:		
(a) 10-Enforcement of Laws and Regulations	29,729,000	
(ax) 15-Legal Services	500,000	
(b) 35-Wildlife and Natural Heritage Management	29,310,000	
(c) 55-Fisheries Management	57,822,000	
(d) 60-Environmental Services	21,833,000	
(e) 65-Oil Spill Prevention and Response Program	16,460,000	
(f) 70.01-Administration	27,521,000	
(g) 70.02-Distributed Administration	−26,823,000	
(h) 80-Loan Repayment	118,000	
(i) Reimbursements	−14,403,000	
(j) Amount payable from the General Fund (Item 3600-001-001)	−2,997,000	
(k) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140)	−9,828,000	
(*l*) Amount payable from the Fish and Game Preservation Fund, for reimbursement to the State Department of Health Services for shellfish monitoring activities (Item 3600-031-200)	−203,000	

Item		Amount
(m)	Amount payable from the Fish and Wildlife Pollution Cleanup and Abatement Account, Fish and Game Preservation Fund (Item 3600-001-207)	−470,000
(o)	Amount payable from the Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-211)	−201,000
(p)	Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-235)	−6,943,000
(q)	Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-320)	−17,724,000
(s)	Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3600-001-786)	−3,149,000
(t)	Amount payable from the Federal Trust Fund (Item 3600-001-890)	−26,546,000
(u)	Amount payable from the Native Species Conservation and Enhancement Account (Chapter 1539, Statutes of 1988)	−118,000

Provisions:

1. 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 (i) and (t) 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 (i) and (t) of this item shall be used in repayment of any funds utilized to meet current obligations pursuant to this provision.
2. 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

Item | Amount

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 fencing.

(f) Commercialization of animals transferred to the facility by the department is prohibited.

4. Of the funds appropriated in Category (c) of this item, $991,000 shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.

4.5 No funds other than the amount in Schedule (ax) may be expended for legal services of the Department of Fish and Game. Notwithstanding any other provison of law, no funds may be transferred into Schedule (ax) of this item. The first priority for expenditure of funds in Schedule (ax) shall be for contract legal services. No funds in Schedule (ax) shall be used for the salaries of a Chief Counsel or other in-house legal counsel.

5. To the extent that the Department of Fish and Game demonstrates the need for additional funding for the damage assessment of the Cantara Loop toxic chemical spill, additional funding may be pursued through the process set forth in Section 27.00 of this act.

Item Amount

6. Of the amount appropriated in this item, $4,819,000 shall be for activities funded from the filing fees authorized in Section 711.4 of the Fish and Game Code. This amount shall not be available for encumbrance or expenditure if Assembly Bill 899, or other legislation to repeal the authority for these filing fees, becomes operative in the 1993–94 fiscal year.
7. Funds appropriated by this item may be expended only if the Department of Fish and Game works with county district attorneys to develop a plan to enhance funding to support prosecution by the district attorney of violations of the Fish and Game Code. Options to be considered shall include, but not be limited to, the following:
   (a) Development of a system within county government to ensure that fines for violations of the Fish and Game Code are correctly deposited.
   (b) Development of a system to collect unpaid fines for violations of the Fish and Game Code.
   (c) Enactment of legislation to authorize county district attorneys to seek civil penalties for prosecution of violations of the Fish and Game Code.
   (d) Establishment of an incentive program to return to the offices of the district attorneys, a portion of the additional moneys collected from the payment of fines pursuant to this provision as a result of the activities.

   The Department of Fish and Game shall report to the Legislature on the status of the plan set forth in this provision by December 31, 1993.

3600-001-207—For support of the Department of Fish and Game, for payment to Item 3600-001-200, payable from the Fish and Wildlife Pollution Cleanup and Abatement Account, Fish and Game Preservation Fund 470,000

3600-001-211—For support of the Department of Fish and Game, for payment to Item 3600-001-200, payable from the Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund 201,000

Item	Amount
3600-001-235—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	6,943,000
3600-001-320—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Oil Spill Prevention and Administration Fund	17,724,000

Provisions:

1. None of the funds appropriated in this item shall be expended by the Department of Fish and Game for routine inspection of marine terminals or marine facilities, as defined in Section 8750 of the Public Resources Code. The department shall, to the greatest extent possible, coordinate its inspection activities with the State Lands Commission.

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3600-001-786—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	3,149,000
3600-001-890—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Federal Trust Fund	26,546,000
3600-002-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund, to be used exclusively for the support of the Natural Communities Conservation Planning (NCCP) Act program	400,000

Schedule:

(a) 35.5-Natural Communities Conservation Planning Program	575,000
(b) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-002-235)	−175,000

Provisions:

1. Funds appropriated in this item are for the exclusive purpose of the Natural Communities Conservation Planning Act (NCCP) Program

Item Amount

(Ch. 10 (commencing with Sec. 2800), Div. 3, F. & G.C.)

2. Of the amount appropriated in this item, no funds may be expended after January 1, 1994, unless the Director of Finance certifies to the Joint Legislative Budget Committee not later than December 1, 1993, that all of the following have occurred:
   (a) The NCCP Program has succeeded in meeting the goals and policies of the Scientific Review Panel's Conservation Guidelines for the first half of the 1993–94 fiscal year. Specifically, loss of coastal sage scrub shall not have exceeded the limits established by the Scientific Review Panel's Guidelines for each planning subregion, and for the overall five county planning area during the first six months of the 1993–94 fiscal year.
   (b) Enrollments in the NCCP Program by private and public landowners are sufficient to qualitatively and quantitatively protect coastal sage scrub habitat during the planning period. This determination shall be made in consultation with the Scientific Review Panel, the Department of Fish and Game, and the U.S. Fish and Wildlife Service.
   (c) Measures have been established to survey, protect, and analyze coastal sage scrub not protected by the Federal Endangered Species Act (16 U.S.C.A. 1531 et seq.) listing of the California gnatcatcher as a "threatened" species or by the voluntary enrollment process of the NCCP Program.
   (d) Significant steps have been taken to monitor coastal sage scrub loss and enforce legal protections on alterations to coastal sage scrub.
   (e) A plan has been established for allocating costs and collecting reimbursements from participating entities.
   (f) Financial and legal commitments of participating entities to implement NCCP plans, once approved, have been identified.

Item	Amount
3. No funds appropriated in this item shall be made available for use by the Resources Agency for any other purpose.	
3600-002-235—For support of the Department of Fish and Game, for payment to Item 3600-002-200, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	175,000
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, payable from the General Fund	17,000
3600-011-465—For transfer by the Controller to the General Fund, payable from the Energy Resources Program Account, General Fund	(5,050,000)
3600-031-200—For support of Department of Fish and Game, for payment to Item 3600-001-200, for reimbursement to the State Department of Health Services for shellfish monitoring activities, payable from the Fish and Game Preservation Fund	203,000
3600-101-320—For local assistance, Department of Fish and Game, Program 65-Oil Spill Prevention and Response, payable from the Oil Spill Prevention and Administration Fund	750,000
3600-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund	2,017,000
Schedule:	
(1) 90.07.100-Minor projects	896,000
(2) 90.88.015-Budget Schematics	40,000
(3) 90.93.003-Crystal Lake Hatchery-Bird Exclosure—construction	340,000
(5) 90.93.005-Fish Springs Hatchery-Bird Exclosure—construction	375,000
(6) 90.93.006-Hot Creek Hatchery-Bird Exclosure—construction	326,000
(7) 90.93.008-Region 2 Complex-Domestic Water Supply—Preliminary plans, working drawings	123,000
(8) Reimbursements-Minor projects	−83,000
Provisions:	
1. In the event that federal reimbursements are received for funds appropriated in categories (1), (5) and (6), the Department of Finance may authorize the transfer of authorization from this item to the Federal Trust Fund.	
2. Of the funds appropriated in category (3) of this item, an amount not to exceed $20,000, which is	

Item Amount

directly attributable to in-house labor for this project, may be transferred to category (c) of Item 3600-001-200, with the approval of the Department of Finance.

3. Of the funds appropriated in category (5) of this item, an amount not to exceed $20,000, which is directly attributable to in-house labor for this project, may be transferred to category (c) of Item 3600-001-200, with the approval of the Department of Finance.
4. Of the funds appropriated in category (6) of this item, an amount not to exceed $20,000, which is directly attributable to in-house labor for this project, may be transferred to category (c) of Item 3600-001-200, with the approval of the Department of Finance.

3600-301-235—For capital outlay, Department of Fish and Game, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund 750,000

Schedule:

(1) 90.07.100-Wetlands—Minor projects 750,000

Provisions:

1. In the event that federal reimbursements are received for funds appropriated in category (1), the Department of Finance may authorize the transfer of authorization from this item to the Federal Trust Fund.
2. The funds appropriated by this item shall be available for encumbrance for the projects authorized by this item until June 30, 1995.

3600-301-320—For capital outlay, Department of Fish and Game, payable from the Oil Spill Prevention and Administration Fund 1,767,000

Schedule:

(1) 90.07.100-Minor projects 267,000
(2) 90.91.004-Oiled Wildlife Rescue and Rehabilitation Station—Construction 1,500,000

Provisions:

1. Funds appropriated in category (2) of this item are available for expenditure only if the Department of Finance first identifies the fund source from which these funds shall be repaid.

Item Amount

3600-490—Reappropriation, Department of Fish and Game. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes provided in the appropriations and shall be available for encumbrance until June 30, 1994:

200—Fish and Game Preservation Fund

(1) Item 3600-301-200(1), Budget Act of 1992, 90.07.100-Minor Projects-Upper Newport Bay Ecological Reserve, Signage and Amphitheater.

(2) Item 3600-301-200(7), Budget Act of 1992, 90.92.002-Fish Springs Hatchery, Water Wells-Construction.

(3) Item 3600-301-200(8), Budget Act of 1992, Reimbursements-Minor Projects-Upper Newport Bay Ecological Reserve, Signage and Amphitheater.

235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund

(1) Item 3600-301-235(1), Budget Act of 1992, 90.07.100-Minor Projects-North Grasslands (Salt Slough) Wetlands Development, Phase 2, Grizzly Island Wildlife Area Fish Screen, Phase 2, Upper Butte Basin Wildlife Area (Llano Seco) Wetlands Development, Phase 1, Upper Butte Basin Wildlife Area (Howard Slough) Wetlands Development.

(2) Item 3600-301-235(2), Budget Act of 1992, Reimbursement-Minor Projects-Upper Newport Basin Wildlife Area (Llano Seco) Wetlands Development, Phase 1, Upper Newport Basin Wildlife Area (Howard Slough) Wetlands Development.

(3) Item 3600-301-235(3), Budget Act of 1992, amount payable from the Federal Trust Fund (Item 3600-311-890)-Upper Newport Basin Wildlife Area (Llano Seco) Wetlands Development, Phase 1, Upper Newport Basin Wildlife Area (Howard Slough) Wetlands Development, Phase 2.

320—Oil Spill Prevention and Administration Fund

(1) Item 3600-301-320, Budget Act of 1992, 90.91.004—Oiled Wildlife Rescue and Rehabilitation Station—Working drawings.

Item		Amount
(2) Paragraph (6), subdivision (a), Section 22, Chapter 1248, Statutes of 1990, Sea otter rescue and rehabilitation station—Construction.		
890—Federal Trust Fund		
(1) Item 3600-311-890, Budget Act of 1992, for capital outlay, Department of Fish and Game, for payment to Item 3600-301-235, payable from the Federal Trust Fund.		
3640-001-140—For support of Wildlife Conservation Board, for payment to Item 3640-001-447, payable from the California Environmental License Plate Fund		522,000
3640-001-235—For support of Wildlife Conservation Board, for payment to Item 3640-001-447, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		250,000
3640-001-262—For support of Wildlife Conservation Board, for payment to Item 3640-001-447, payable from the Habitat Conservation Fund		1,156,000
Provisions:		
1. Of the funds appropriated by this item, $1,156,000 shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.		
2. Of the funds appropriated in this item, $165,000 is provided in accordance with provisions of the California Wildlife Protection Act of 1990, and shall be used for the administrative costs associated with Proposition 117.		
3. Of the amount appropriated by this item, $991,000 shall be available to the Department of Fish and Game pursuant to the Wildlife Conservation Law of 1947 to fund the Salmon Habitat Program.		
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund.		555,000
Schedule:		
(a) 10-Wildlife Conservation Board	2,437,000	
(b) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 Section 5907 of the Public Resources Code	−204,000	
(c) Amount payable from the California Environmental License Plate Fund (Item 3640-001-140)	−522,000	

Item		Amount
(d) Amount payable from the Habitat Conservation Fund (Item 3640-001-262)	−1,156,000	
Provisions:		
1. Of the amount appropriated in this item, $250,000 shall be expended for purposes of Chapter 1571 of the Statutes of 1982.		
3640-011-235—For transfer by the State Controller to the Habitat Conservation Fund, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		(1,156,000)
Provisions:		
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.		
3640-301-140—For capital outlay, Wildlife Conservation Board, payable from the California Environmental License Plate Fund		572,000
Schedule:		
(1) 80.10.200—Riparian Habitat Acquisition, Restoration or Enhancement pursuant to Fish and Game Code Section 1385	572,000	
Provisions:		
1. The funds in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.		
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.		
3640-301-262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund		9,844,000
Schedule:		
(a) 80.10.133 Wetland Habitat Acquisition, Restoration and Enhancement	1,500,000	
(b) 80.10.134 Acquisitions pursuant to Fish and Game Code Section 2786(a)	1,026,000	
(c) 80.10.200 Acquisition, Restoration, or Enhancement pursuant to Fish and Game Code Sections 2720(c) and 2786(b)	788,000	

Item		Amount
(d)	80.10.218 Acquisition, Restoration or Enhancement pursuant to Fish and Game Code Sections 2720(a), 2786(b) and (c)	5,030,000
(e)	80.10.219 Acquisition, Restoration or Enhancement pursuant to Fish and Game Code Sections 2786(e) and (f)	1,500,000

Provisions:

1. The funds in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.
2. Of the amount appropriated in this item, $1,500,000 shall be expended for purposes consistent with the provisions of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, the Habitat Conservation Fund, and the Inland Wetlands Conservation Fund.
3. Of the amount appropriated in this item, $1,226,000 shall be expended for purposes consistent with the provisions of the Unallocated Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.
4. Of the amount appropriated in this item, $6,528,000 shall be expended for purposes consistent with the Wildlife and Natural Areas Conservation Fund and the Habitat Conservation Fund.
5. Of the amount appropriated in this item, $590,000 shall be expended for purposes consistent with the provisions of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.
6. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.
7. The Wildlife Conservation Board may consider expenditure of $250,000 for the purpose of acquiring habitat for threatened and endangered species and for the preservation of significant natural areas in Sycamore Canyon in Riverside County.
8. Of the amount appropriated in this item, $714,000 shall be expended for purposes consistent with the requirements of the Environmen-

Item		Amount
tal License Plate Fund and the Habitat Conservation Fund.		
3640-301-447—For capital outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund, in lieu of the appropriation made by the Wildlife Conservation Law of 1947		1,400,000
Schedule:		
(1) 80.10.010-Minor Projects	530,000	
(2) 80.10.020-Project Planning	20,000	
(3) 80.10.030-Land Acquisitions	450,000	
(4) 80.30.040-Major Development	500,000	
(5) 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. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.		
3640-301-890—For capital outlay, Wildlife Conservation Board, payable from the Federal Trust Fund		1,280,000
Schedule:		
(1) 80.10.133 Wetland Habitat-Acquisition	1,280,000	
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. The funds appropriated in this item shall be used for purposes consistent with the objectives of the Central Valley Habitat Joint Venture Plan and for the purpose of purchasing conservation easements in the Central Valley.		
3640-311-140—For transfer by the Controller from the California Environmental License Plate Fund to the Habitat Conservation Fund, as of June 30, 1993, the sum of $240,000 or such other amount as is necessary to preclude a transfer for the 1992–93 fiscal year from the General Fund to the Habitat Conservation Fund pursuant to Section 2796 of the Fish and Game Code		(240,000)

Item	Amount
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.	
3640-311-235—For transfer by the State Controller to the Habitat Conservation Fund, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	(2,090,000)
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.	
3640-311-787—For transfer by the State Controller to the Habitat Conservation Fund, payable from the Wildlife and Natural Areas Conservation Fund	6,528,000
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Wildlife and Natural Areas Conservation Fund and the Habitat Conservation Fund.	
3640-312-140—For transfer by the Controller to the Habitat Conservation Fund, payable from the California Environmental License Plate Fund	(714,000)
Provisions:	
1. Funds transferred by this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.	
2. In addition to the amount specified above in this item, there is hereby appropriated for transfer by the Controller from the California Environmental License Plate Fund to the Habitat Conservation Fund as of June 30, 1994, an amount which is necessary to preclude a transfer from the General Fund to the Habitat Conservation Fund pursuant to Section 2796 of the Fish and Game Code. Funds hereby transferred shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.	

Item Amount

3640-495—Reversion, Wildlife Conservation Board. As of June 30, 1993, the balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.

787—Wildlife and Natural Areas Conservation Fund

(1) Item 3640-301-787 (4), Chapter 93, Statutes of 1989

(2) Item 3640-301-787 (5) Chapter 93, Statutes of 1989

3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund 5,431,000

Schedule:

(a) 10-Boating Facilities	3,371,000
(b) 20-Boating Operations	3,293,000
(c) 30-Beach Erosion Control	383,000
(d) 40.01-Administration	999,000
(e) 40.02-Distributed Administration .	−999,000
(f) Reimbursements	−15,000
(g) Amount payable from the Federal Trust Fund (Item 3680-001-890) ..	−1,601,000

Provisions:

1. Notwithstanding Section 85.2 of the Harbors and Navigation Code $383,000 of the funds appropriated in this item shall be expended for support of the Department of Boating and Waterways beach erosion control program.
2. Of the amount appropriated in this item, $2,715,000 shall be available for expenditure only after the Department of Boating and Waterways (DBW), in consultation with the Department of Parks and Recreation (DPR) and the Business Transportation and Housing Agency (BTH), submit a report to the chairs of the fiscal committees in each house of the Legislature, the appropriate policy committees, and the Joint Legislative Budget Committee on the consolidation of the DBW within the DPR or the BTH, or both, including the effects of this consolidation on programs in the two departments and an estimate of savings from the consolidation. The DBW shall submit this report to the Legislature no later than December 1, 1993.

Item			Amount
3680-001-890—For support of Department of Boating and Waterways, for payment to Item 3680-001-516, payable from the Federal Trust Fund			1,601,000
3680-011-516—For transfer to the General Fund, payable from the Harbors and Watercraft Revolving Fund			(33,024,000)
Provisions:			
1. Of the amount transferred in the 1993–94 fiscal year from the Motor Vehicle Fuel Account, Transportation Tax Fund to the Harbors and Watercraft Revolving Fund pursuant to Section 8352.4 of the Revenue and Taxation Code, the Controller shall transfer $33,024,000 to the General Fund.			
3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			5,900,000
Schedule:			
(a) 10-Boating Facilities		2,700,000	
Launching Facility Grants		(980,000)	
1) Boyd Pump	(171,000)		
3) Channel Islands Harbor	(200,000)		
5) Donner Lake	(135,000)		
7) Klamath Townsite	(170,000)		
8) Long Beach Marina	(50,000)		
14) Scotts Flat Reservoir	(43,000)		
17) Woodward Reservoir	(71,000)		
18) Yosemite Lake	(100,000)		
Small Craft Harbor Loans		(1,100,000)	
1) Emergency Loans	(200,000)		
2) Jack London Square Marina	(200,000)		
3) Martinez Marina	(100,000)		
8) Sausalito Yacht Harbor	(600,000)		
Private Marina Loans		(620,000)	
(b) 20-Boating Operations		4,050,000	
1) Boating Safety and Enforcement	(3,200,000)		
2) Boating Safety Financial Assistance	(850,000)		
(c) Amount payable from the Federal Trust Fund (Item 3680-101-890)		−850,000	

Item Amount

Provisions:

1. Of the funds appropriated in Category (b), $3,200,000 is for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.
2. Of the funds appropriated in Category (b), $850,000 for Boating Safety Financial Assistance shall be expended in accordance with federal law.

3680-101-890—For local assistance, Department of Boating and Waterways, for payment to Item 3680-101-516, payable from the Federal Trust Fund 850,000

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.

   Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.

3680-301-516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund 700,000

Schedule:

(3) 50.99.020—Minor Projects 700,000

3720-001-001—For support of California Coastal Commission..... 4,686,000

Schedule:

(a) 10-Coastal Management Program... 8,175,000

Item		Amount
(b) 20-Coastal Energy Program	490,000	
(c) 30.01-Administration	1,533,000	
(d) 30.02-Distributed Administration	−1,204,000	
(e) Reimbursements	−329,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140)	−1,168,000	
(g) Amount payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3720-001-164)	−797,000	
(h) Amount payable from the Federal Trust Fund (Item 3720-001-890)	−2,014,000	

Provisions:

1. The commission shall, to the extent legally possible, utilize categorical exclusions, permit exemptions, and administrative permits authorized by Division 20 (commencing with Section 30000) of the Public Resources Code to reduce the commission's regulatory workload and to achieve overall cost savings to the state.
2. The commission shall, to the extent resources are available, undertake efforts to expedite the transfer to local governments of coastal development permit authority pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code by providing training and any other assistance it deems appropriate to assist local governments in the assumption of this coastal permit responsibility.

3720-001-140—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the California Environmental License Plate Fund 1,168,000

3720-001-164—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund 797,000

3720-001-890—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the Federal Trust Fund 2,014,000

3760-001-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1976 3,821,000

Schedule:

(a) 15.00.000.000—Coastal Resource Development	2,767,000	

Item Amount

(b) 25.00.000.000—Coastal Resource Enhancement..... 1,060,000
(c) 90.01.000.000—Administration and Support..... 1,098,000
(d) 90.02.000.000—Distributed Administration..... −1,098,000
(e) Reimbursements..... −6,000

3760-301-164—For capital outlay, State Coastal Conservancy, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund..... 2,000,000
Schedule:
(2) 80.93.025 Coastal Resource Enhancement..... 2,000,000
Provisions:
1. The State Coastal 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 are approved by the Director of General Services. Except as otherwise specified above in this provision, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
3. The amount appropriated in this item is available for expenditure for either capital outlay or local assistance.
4. The funds appropriated by this item shall be used to develop beneficial uses of material dredged from San Francisco Bay, including design, acquisition, and development of the Sonoma Baylands Marsh restoration and Leonard Ranch Rehandling Facility projects, and associated project mitigation and environmental enhancement.

3760-301-262—For capital outlay, State Coastal Conservancy, payable from the Habitat Conservation Fund..... 4,000,000

Item Amount

Schedule:

(1) 80.19.040—Resource Enhancement 3,500,000

(2) 90.BC.400-New Brighton SB: Porter-Sesnon Property—Acquisition 500,000

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 are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
2. The amount appropriated in this item is available for expenditure for either capital outlay or local assistance.
3. Of the funds appropriated in this item, $850,000 shall be used for purposes consistent with the requirements of the Fish and Wildlife Enhancement Fund and the Habitat Conservation Fund.
4. Of the funds appropriated in this item, $2,650,000 shall be used for purposes consistent with the requirements of the Unallocated Account, Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.
5. Funds in Schedule (2) shall be available only if the state obtains a commitment from the owner of the Porter-Sesnon property to provide fee title, at fair market value in an amount not to exceed $200,000, to the state in an expeditious manner for the property prior to the state acquiring the leasehold.

3760-301-748—For capital outlay, State Coastal Conservancy, payable from the Fish and Wildlife Habitat Enhancement Fund 300,000

Item	Amount
Schedule:	
(1) 80.93.015-Coastal Resource Development	300,000
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 are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.	
2. The amount appropriated in this item is available for expenditure for either capital outlay or local assistance.	
3. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for projects appropriated from the Fish and Wildlife Habitat Enhancement Fund may be loaned from the General Fund, upon approval of the Director of Finance, for deposit into the Fish and Wildlife Habitat Enhancement Fund.	
3760-311-164—For transfer by the State Controller to the Habitat Conservation Fund, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund	(500,000)
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.	
3760-311-748—For transfer by the State Controller to the Habitat Conservation Fund, payable from the Fish and Wildlife Habitat Enhancement Fund	850,000
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements	

Item		Amount
of the Fish and Wildlife Habitat Enhancement Fund and the Habitat Conservation Fund.		
3760-495—Reversion, State Coastal Conservancy. As of June 30, 1993, 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.		
565—State Coastal Conservancy Fund of 1976		
(1) Chapter 910, Statutes of 1986, Section 13(b).		
3790-001-001—For support of Department of Parks and Recreation		43,772,000
Schedule:		
(a) 12-Park Stewardship	162,824,000	
(b) 22-Park Development	11,037,500	
(c) 32.01-Administration	23,660,000	
(d) 32.02-Distributed Administration	−23,660,000	
(e) Reimbursements	−8,751,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3790-001-140)	−111,000	
(g) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-235)	−10,574,000	
(h) Amount payable from the Habitat Conservation Fund (Transfer from Item 3790-101-262 per Provision 1, Budget Act of 1992)	−22,500	
(i) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263)	−12,492,000	
(j) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392)	−91,593,000	
(k) Amount payable from the State Parks and Recreation Fund, Fines and Forfeitures Account (Item 3790-001-394)	−419,000	
(*l*) Amount payable from the Winter Recreation Fund (Item 3790-001-449)	−85,000	
(m) Amount payable from the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account (Item 3790-001-463)	−544,000	

Item		Amount
(n) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516)	−402,000	
(o) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3790-001-786)	−848,000	
(p) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Public Resources Code Section 5907)	−1,346,000	
(q) Amount payable from the Federal Trust Fund (Item 3790-001-890)	−2,049,000	
(r) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Section 5907 of the Public Resources Code-Capital outlay costs	−853,000	

Provisions:

1. Of the funds appropriated by this act from state special funds, other than the Off-Highway Vehicle Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the department's costs to administer these grants.
2. The Department of Parks and Recreation (DPR) shall assist the Department of Boating and Waterways (DBW) in the DBW's study of the consolidation of the DBW within the DPR. The two departments shall report at the Legislative fiscal hearings on the Governor's Budget for the 1994–95 fiscal year regarding the findings of this study, including the effects of this consolidation on programs in the two departments and an estimate of savings from the consolidation.

3790-001-140—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Environmental License Plate Fund	111,000
3790-001-235—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	10,574,000

Item	Amount
3790-001-263—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Off-Highway Vehicle Fund	12,492,000
3790-001-392—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State Parks and Recreation Fund	91,593,000
3790-001-394—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State Parks and Recreation Fund, Fines and Forfeitures Account	419,000
3790-001-449—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Winter Recreation Fund	85,000
3790-001-463—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account	544,000
3790-001-516—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Harbors and Watercraft Revolving Fund	402,000
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.	
3790-001-786—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from California Wildlife, Coastal, and Park Land Conservation Fund of 1988, subdivision (a) of Section 5907 of the Public Resources Code	848,000
3790-001-890—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Federal Trust Fund	2,049,000
3790-011-062—For support of Department of Parks and Recreation, for transfer by the State Controller to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code, 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	(3,400,000)

Item	Amount
3790-011-235—For support of Department of Parks and Recreation, for transfer by the State Controller to the Community Parklands Fund of 1986, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	2,468,000
Provisions:	
1. The funds appropriated in this item are for grants to local agencies pursuant to the Community Parklands Act of 1986 (Chapter 3.7 (commencing with Section 5700) of Division 5 of the Public Resources Code). This appropriation is made in lieu of reductions to local assistance grants appropriated from the Community Parklands Fund of 1986 which would otherwise be necessary pursuant to the loan interest provisions of Chapter 984, Statutes of 1988, and to ensure compliance with the provisions of the 1986 Parklands Act.	
3790-011-263—For transfer by the Controller from the Off-Highway Vehicle Fund, to the State Parks and Recreation Fund	(8,900,000)
3790-011-395—For transfer by the Controller from the Coastal Zone Construction/Conversion Account, Parks and Recreation Fund, to the State Parks and Recreation Fund	(394,000)
3790-012-061—For transfer by the State Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund	(11,022,000)
Provisions:	
1. Notwithstanding any other provision of law, of the amount that would have transferred to the Harbors and Watercraft Revolving Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account, Transportation Tax Fund to the State Parks and Recreation Fund.	
2. None of these moneys shall be available for transfer if legislation is enacted in the 1992–93 or 1993–94 Regular Session that permanently transfers these funds from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.	
3790-012-263—For transfer by the Controller from the Off-Highway Vehicle Fund, to the General Fund	(3,284,000)

Item	Amount
3790-013-061—For transfer by the State Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.....	(1,683,000)
Provisions: 1. Notwithstanding any other provision of law, of the amount that would have transferred to the Off-Highway Vehicle Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account Transportation Tax Fund to the State Parks and Recreation Fund. 2. None of these moneys shall be available for transfer if legislation is enacted in the 1992–93 or 1993–94 Regular Session that permanently transfers these funds from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.	
3790-014-061—For transfer by the State Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.....	(829,000)
Provisions: 1. Notwithstanding any other provision of law, of the amount that would have transferred to the Conservation and Enforcement Service Account—Off-Highway Vehicle Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account Transportation Tax Fund to the State Parks and Recreation Fund. 2. None of these moneys shall be available for transfer if legislation is enacted in the 1992–93 or 1993–94 Regular Session that permanently transfers these funds from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.	
3790-101-235—For local assistance, Department of Parks and Recreation, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, to be available for expenditure during the 1993–94, 1994–95, and 1995–96 fiscal years.	1,425,000

Item		Amount
Schedule:		
(1) 50.20.235.945-Los Angeles Community College District-Fitness Center	250,000	
(2) 22.25.235.001-Local Grants (City of Lakewood: Bolivar Park Activity Building)	260,000	
(3) 22.25.235.002-Local Grants (City of West Covina: Cooperative Projects with West Covina School District)	175,000	
(4) 22.25.235.003-Local Grants (City of La Mirada: Gymnasium)	350,000	
(5) 22.25.235.005-Local Grants (Loomis: City/School Park)	130,000	
(6) 22.25.235.006-Local Grants (City of Placerville: Dry Diggins Pool Complex)	260,000	
Provisions:		
1. No funds appropriated in category (1) for a local assistance grant to the Los Angeles Community College shall be encumbered or expended unless and until the Director of Parks and Recreation determines that the community college has certified the balance of the funding from nonstate funds are available to complete the project.		
3790-101-262—For local assistance, Department of Parks and Recreation, payable from the Habitat Conservation Fund, to be available for expenditure during the 1993–94, 1994–95 and 1995–96 fiscal years		2,500,000
Schedule:		
(1) 22.25-Local Grants	2,500,000	
Provisions:		
1. Funds appropriated in this item shall be available only for projects submitted to the Department of Parks and Recreation for consideration during the evaluation process for the Habitat Conservation Fund Program.		
2. The funds appropriated in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.		

Item		Amount
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 1993–94, 1994–95 and 1995–96 fiscal years		7,000,000
Schedule:		
(1) 12.25-Off-Highway Motor Vehicle Recreation Fund-Grants	7,000,000	
3790-101-858—For local assistance, Department of Parks and Recreation, payable from the Recreational Trails Fund, to be available for expenditure during the 1993–94, 1994–95 and 1995–96 fiscal years		293,000
Schedule:		
(1) 12.25-Off-Highway Motor Vehicle Recreation (Grants)	88,000	
(2) 22.25-Local Grants	205,000	
3790-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1993–94, 1994–95 and 1995–96 fiscal years		2,375,000
Schedule:		
(1) 22.25-Local Grants	2,000,000	
(2) 22.30-Historic Preservation Grants	375,000	
3790-301-140—For capital outlay, Department of Parks and Recreation, payable from the California Environmental License Plate Fund		1,999,000
Schedule:		
(1) 90.HA.500-Anza Borrego Desert SP: Resource Inventory, Phase II—Study	499,000	
(2) 90.BC.400-New Brighton SB: Porter-Sesnon Property—Acquisition	1,500,000	
Provisions:		
1. Funds in Schedule (2) shall be available only if the state obtains a commitment from the owner of the Porter-Sesnon property to provide fee title, at fair market value in an amount not to exceed $200,000, to the state in an expeditious manner for the property prior to the state acquiring the leasehold.		
3790-301-164—For capital outlay, Department of Parks and Recreation, payable from the Outer Continental Shelf Lands Act Section 8(g) Revenue Fund		1,593,000

Item		Amount
Schedule:		
(1) 90.RS.130-Statewide: Dispatch Centers Program—Preliminary Plans, Working Drawings, Construction and Equipment	1,593,000	
3790-301-262—For capital outlay, Department of Parks and Recreation, payable from the Habitat Conservation Fund		2,500,000
Schedule:		
(1) 90.RS.406-Habitat Conservation: Proposed Additions-Acquisition	500,000	
(2) 90.RS.407-Santa Lucia Mountains: Proposed Additions-Acquisition	1,500,000	
(3) 90.BC.400-New Brighton SB: Porter-Sesnon Property—Acquisition	500,000	
Provisions:		
1. The funds appropriated in this item shall be used for puposes consistent with the requirements of the Habitat Conservation Fund.		
2. The funds appropriated in Category (1) of this item shall be expended for state park acquisitions located in the Klamath-Siskiyou, Sierra Foothills and Low Coastal Mountain, Southwest Mountain and Valley, and Sierra Nevada Landscape Provinces.		
3. Funds in Schedule (3) shall be available only if the state obtains a commitment from the owner of the Porter-Sesnon property to provide fee title, at fair market value in an amount not to exceed $200,000, to the state in an expeditious manner for the property prior to the state acquiring the leasehold.		
3790-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund		1,467,000
Schedule:		
(1) 90.EH.610-Hungry Valley SVRA: Quail Canyon-Phase I/II—Working Drawings	167,000	
(2) 90.RS.605-Statewide: Budget Package/Schematic Planning—Planning	50,000	
(3) 90.RS.206-Statewide: Off-Highway Vehicle Minor Projects	500,000	
(4) 90.RS.403-Statewide: Opportunity Purchases-Acquisition	700,000	

Item Amount

(5) 90.RS.404-Statewide: Pre-Budget Appraisals-Planning..... 50,000

Provisions:

1. Funds appropriated in Category (2) of this item shall be used to develop design information or cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1994–95 or 1995–96 Governor's Budget.
2. Funds appropriated in Category (5) of this item shall be used to develop cost information for new acquisition projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1994–95 or 1995–96 Governor's Budget. In addition, these funds may also be used for other acquisition related administrative costs.

3790-301-392—For capital outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund..... 500,000

Schedule:

(1) 90.GI.110.931-Crystal Cove SP: Historic Building Rehabilitation—Study, Preliminary Plans, Working Drawings, and Construction..... 500,000

Provisions:

1. Up to $500,000 of the appropriation in this item shall be available for surveys and renovation and restoration work of cottages and other related facilities at Crystal Cove State Beach. However, amounts appropriated by this item are availble for expenditure only from rental revenue received from facilities at Crystal Cove State Beach.
2. The appropriation made by this item is available for expenditure only if the Department of Parks and Recreation executes extensions of existing leases of cottages at Crystal Cove State Beach, at fair market value. An extension of an existing lease shall be on a month-to-month basis, not to exceed six months, to expire no later than December 31, 1993, except where the tenant allows the department, on a schedule convenient to the department, to complete survey work necessary to determine actual restoration work on the subject cottage, in which case the lease may

Item		Amount
be extended for up to two years. Extensions of existing leases, pursuant to this provision shall be subject to the following conditions: (a) All rent due and payable is paid in full. (b) Maintenance obligations and other provisions of the existing 10-year lease remain in effect. (c) Tenants agree to assume all costs, including, but not limited to, legal costs, that the department may incur in enforcing the lease provisions. (d) Tenants remove or cooperate in the removal of the gate that hinders public access and facilitate public access to Crystal Cove. (e) At the expiration of the extensions of the lease terms, the cottages are made available for use by the general public.		

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		8,269,000
Schedule:		
(1) 90.GI.110-Crystal Cove SP: Historic District Sewer System Construction	574,000	
(2) 90.I4.100-South Carlsbad SB: Facilities Rehabilitation-Working Drawings and Construction	2,845,000	
(3) 90.RS.401-Statewide: Acquisition Costs-Planning	200,000	
(4) 90.RS.402-Statewide: In-holding Purchase-Acquisition	500,000	
(5) 90.RS.403-Statewide: Opportunity Purchases-Acquisition	500,000	
(6) 90.RS.205-Statewide: Park System-Minor Projects	2,500,000	
(7) 90.RS.404-Statewide: Pre-Budget Appraisals-Planning	60,000	
(8) 90.EU.605-Bolsa Chica SB: Campground Facilities—Preliminary Plans and Working Drawings	90,000	
(9) 90.BC.400-New Brighton SB: Porter-Sesnon Property—Acquisition	1,000,000	

Item Amount

Provisions:

1. Funds appropriated in Category (7) of this item shall be used to develop cost information for new acquisition projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1994–95 or 1995–96 Governor's Budget.
2. Of the amount appropriated in Category (5) of this item, funds shall be allocated to the acquisition of Burdell Island in an amount not to exceed $130,000, and to the acquisition of Mt. Barney Island, in an amount not to exceed $70,000, as long as these acquisitions are for state park purposes.
3. Funds in Category (9) shall be available only if the state obtains a commitment from the owner of the Porter-Sesnon property to provide fee title at fair market value, in an amount not to exceed $200,000, to the state in an expeditious manner for the property prior to the state acquiring the leasehold.
4. Of the funds appropriated in Category (6) of this item, up to $128,000 may be expended to match federal funds for restroom facility and water and sewer improvements at Colonel Allensworth State Historic Park.

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3790-301-786—For capital outlay, Department of Parks and Recreation, payable from the California Wildlife, Coastal, and Park Land Fund of 1988 3,056,000

Schedule:

(1) 90.5Y.110-Candlestick Point SRA: Boat Launch Facilities-Construction 601,000

(2) 90.EA.110-Carpinteria SB: Recreational Trails-Construction 414,000

(4) 90.I6.610-San Elijo SB: Campground Rehabilitation-Working Drawings..... 149,000

(5) 90.C1.605-Santa Cruz Mission SHP: Public Use Facilities-Preliminary Plans and Working Drawings 132,000

Item		Amount
(6) 90.RS.605-Statewide: Budget Package/Schematic Planning-Planning	200,000	
(7) 90.RS.240-Statewide: California Sno-Park Program-Minor Projects	52,000	
(8) 90.RS.615-Statewide: CEQA Filing Fees-Planning	30,000	
(9) 90.RS.250-Statewide: Interpretive Exhibit/Artifact Rehabilitation—Minor Projects	204,000	
(10) 90.RS.230-Statewide: Stewardship Program—Minor Projects	974,000	
(11) 90.RS.610-Statewide: Topographic Surveys-Planning	200,000	
(12) 90.5X.205-Marconi Conference Center—Minor Projects	100,000	

Provisions:

1. Funds appropriated in Category (6) of this item shall be used to develop design information or cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1994–95 or 1995–96 Governor's Budget.
2. Funds appropriated in Category (9) of this item shall be available for expenditure until June 30, 1995.
3. Funds appropriated in Category (10) of this item shall be available for expenditure until June 30, 1996.

3790-301-890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund 600,000

Schedule:

(1) 90.RS.408-Federal Trust Matching Program: Proposed Additions—Acquisition	600,000	

3790-302-786—For capital outlay, Department of Parks and Recreation, payable from the California Wildlife, Coastal and Park Land Conservation Fund of 1988 2,209,000

Schedule:

(1) 90.RS.601-Design and Construction Planning	2,209,000	

Provisions:

1. The funds appropriated in Category (1) of this item shall be used by the department for staff

Item Amount

costs for the planning and development of capital outlay projects.

2. Notwithstanding Section 6.50 of this act, funds appropriated in this item may be transferred to Item 3790-001-001 as a reimbursement for support expenditures as stated in provision (1) of this item with the approval of the Department of Finance.
3. Expenditures for projects that were directly appropriated in subdivision (b) of Section 5907 of the Public Resources Code shall be charged to the direct appropriation.

3790-401—For the 1993–94 fiscal year, the balance as of July 1, 1993, 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.

3790-490—Reappropriation, Department of Parks and Recreation. 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:

140—California Environmental License Plate Fund

(1) Item 3790-809-140, Chapter 1241/89, Section 4(b), as reappropriated by Item 3790-490-140(1), Budget Act of 1992, 90.AI.100.890, Millerton Lake SRA and Lost Lake Recreation Area Trail Development and Environmental Studies for San Joaquin Parkway General Plan.

235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund

(1) Item 3790-301-235(1), Budget Act of 1992, 90.41.207.920, Navarro River Project: Improvements—Minor Project.

Item Amount

(2) Item 3790-301-235(2), Budget Act of 1992, Reimbursements for Navarro River Project.
(3) Item 3790-301-235(4), Budget Act of 1992, 90.8E.600.920, Tahoe SRA: Visitor Center Exhibits—Planning.

262—Habitat Conservation Fund

(1) Item 3790-301-262(1), Budget Act of 1990, 90.8D.400, Donner Memorial SP: Nature Conservancy—Acquisition.

263—Off-Highway Vehicle Fund

(1) Item 3790-301-263(2), Budget Act of 1990, 90.C7.410, Ocotillo Wells SVRA: State Lands Commission Property—Acquisition.

392—State Park and Recreation Fund

(1) Item 3790-301-392(2), Budget Act of 1987, as reappropriated by Item 3790-490-392(1), Budget Act of 1990, 90.AC.400, Old Sacramento SHP: Engineering Building Site, Acquisition; provided the funds may be used to purchase the Raney Well parcel and to lease for a 99-year period two parcels owned by the Redevelopment Agency of the City of Sacramento and to pay associated administrative costs.
(2) Chapter 1371, Statutes of 1990, 90.E9.400, La Purisima Mission SHP.

722—Parklands Fund of 1984

(1) Item 3790-301-722(6), Budget Act of 1987, as reappropriated by Item 3790-490-722(1), Budget Act of 1990, 90.BA.400, Big Basin Redwoods SP, Sempervirens—Acquisition; provided that the funds may be used on a matching basis with nonstate funding sources for the acquisition of parcels located within the State Park and Recreation Commission's approved boundary for Big Basin Redwoods SP.
(2) Item 3790-301-722 (18.5), Budget Act of 1987, as reappropriated by Item 3790-490-722(1.1), Budget Act of 1992, 90.IJ.500, Old Town San Diego SHP, Historical and Archaeological Studies.
(3) Item 3790-301-722(1), Budget Act of 1990, as reappropriated by Item 3790-490-722(8), Budget Act of 1992, 90.6F.605, Angel Island SP: Seawall Reconstruction and Replacement—Preliminary plans and working drawings.

Item Amount

(4) Item 3790-301-722(1), Budget Act of 1992, 90.6F.110.920, Angel Island SP: Seawall Reconstruction and Rehabilitation—Construction.
(5) Item 3790-301-722(2), Budget Act of 1992, 90.8Q.100.920, Brannan Island SRA: Rehabilitation and Replacement of Worn-Out Facilities —Preliminary Plans, Working Drawings, and Construction.
(6) Item 3790-301-722(4), Budget Act of 1992, 90.FO.205.920, Leo Carrillo SB: Facilities Rehabilitation—Minor Project.
(7) Item 3790-301-722(8), Budget Act of 1992, 90.RS.220.920, Statewide: Storm Damage—Minor Projects.
(8) Item 3790-301-722(9), Budget Act of 1992, 90.RS.235.920, Statewide: Volunteer Program —Minor Projects.

742—State, Urban, and Coastal Park Fund

(1) Item 3790-301-742(2), Budget Act of 1992, 90.RS.210.920, Statewide: Accessibility Expansion Program—Minor Projects.

786—California Wildlife, Coastal, and Park Land Fund of 1988

(1) Item 3790-302-786(1), Budget Act of 1989, as added by Chapter 1241/89, as reappropriated by Item 3790-490-786(1), Budget Act of 1990, 90.FU.100.890, California Citrus State Historic Park: Immediate Public Use Facilities, Preliminary Plans, Working Drawings, and Construction.
(2) Item 3790-302-786(5), Budget Act of 1989, as added by Chapter 1241/89, as reappropriated by Item 3790-490-786(1), Budget Act of 1992, 90.8L.505.890, State Indian Museum: Study Concept.
(3) Item 3790-301-786(3.5), Budget Act of 1990, 90.DQ.110, Hearst San Simeon SHM, Additional Water Storage—Construction and agency retained.
(4) Item 3790-301-786(5), Budget Act of 1990, 90.IH.100, Lake Perris SRA, Swimming Beach Cleanup—Preliminary plans, working drawings and construction.
(5) Item 3790-301-786(18.5), Budget Act of 1990, as reappropriated by Item 3790-490-786(5), Budget Act of 1992, 90.CS.200, Monterey SB: Sand City Dunes Restoration—Minor Projects.

Item Amount

(6) Item 3790-301-786(6), Budget Act of 1992, 90.EA.605.920, Carpinteria SB: Recreational Trails—Preliminary Plans and Working Drawings.

(7) Item 3790-301-786(7), Budget Act of 1992, 90.GI.605.920, Crystal Cove SP: Infrastructure Improvements—Preliminary Plans and Working Drawings.

(8) Item 3790-301-786(11), Budget Act of 1992, 90.CN.110.920, Monterey SHP: Pacific House—Construction.

(9) Item 3790-301-786(12), Budget Act of 1992, 90.5N.110.920, Mount Diablo SP: Water System Rehabilitation—Construction.

(10) Item 3790-301-786(13), Budget Act of 1992, 90.6H.100.920, Samuel P. Taylor SP: Water System—Preliminary Plans, Working Drawings, and Construction.

(11) Item 3790-301-786(14), Budget Act of 1992, 90.I6.600.920, San Elijo SB: Rehabilitation and Replacement of Worn-Out Facilities—Preliminary Plans.

(12) Item 3790-301-786(15), Budget Act of 1992, 90.I4.600.920, South Carlsbad SB: Facilities Rehabilitation—Study and Preliminary Plans.

(13) Item 3790-301-786(18), Budget Act of 1992, 90.RS.615.920, Statewide: CEQA Filing Fees—Planning.

(14) Item 3790-301-786(22), Budget Act of 1992, 90.RS.220.920, Statewide: Storm Damage—Minor Projects.

(15) Item 3790-301-786(24), Budget Act of 1992, 90.RS.235.920, Statewide: Volunteer Program —Minor Projects.

(16) Item 3790-301-786(27), Budget Act of 1992, 90.HA.100.920, Anza Borrego Desert SP: Resource Inventory—Planning.

(17) Item 3790-301-786(28), Budget Act of 1992, 90.RS.205, Statewide: Park System—Minor Projects.

3790-491—Reappropriation, Department of Parks and Recreation. 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 those appropriations:

Item Amount

392—State Parks and Recreation Fund

(1) Subdivision (g) of Section 4 of Chapter 1241 of the Statutes of 1989, State Park System, Maintenance and Repair of Highways.

3790-492—Reappropriation, Department of Parks and Recreation. The balances of the appropriations provided in the following citations are reappropriated as follows:

140—California Environmental License Plate Fund

(1) Item 3790-101-140, Budget Act of 1985, for the County of Sacramento, Morrison Creek—Acquisition.

This reappropriation is subject to the following conditions:

At the end of the current contract, the unencumbered balance of the original appropriation in this subitem is hereby reappropriated as a grant to the United States Fish and Wildlife Service for the fee purchase, from willing sellers, of property located in the Stone Lakes National Wildlife Refuge located in Sacramento County. None of the funds reappropriated by this subitem shall be used by the United States Fish and Wildlife Service for administrative purposes. Any agreement between the Department of Parks and Recreation and the United States Fish and Wildlife Service for the use of funds appropriated by this subitem shall provide for the reversion of any unused funds on a date one year after the operative date of that agreement.

235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund

(1) Subparagraph (SS) of paragraph (3) of subdivision (c) of Section 4 of Chapter 1241 of the Statutes of 1989, for a grant to the County of Sacramento to initiate and coordinate an interagency cooperative program for the planning, restoration, development, and expansion of a wildlife refuge in the wetlands area of south Sacramento County.

This reappropriation is subject to the following conditions:

At the end of the current contract encumbering this appropriation, the unencumbered balance of the original appropriation in this

Item		Amount

sub-item is hereby reappropriated as a grant to the United States Fish and Wildlife Service for the planning, restoration, development, and expansion of a wildlife refuge in the wetlands area of south Sacramento County. Any agreement between the Department of Parks and Recreation and the United States Fish and Wildlife Service for the use of funds appropriated by this subitem shall provide for the reversion of any unused funds on a date one year after that operative date of that agreement.

722—Parklands Fund of 1984

(1) Item 3790-101-722(d)(40), Budget Act of 1985, City of Santa Barbara, Montarioso Main House, provided that these funds shall be used for the Recreation Center Gymnasium.

3790-495—Reversion, Department of Parks and Recreation. As of June 30, 1993, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made:

263—Off-Highway Vehicle Fund

(1) Item 3790-301-263(2), Budget Act of 1986, as reappropriated by Item 3790-490-263(1), Budget Act of 1992, 90.C7.400, Ocotillo Wells SVRA—Acquisition.

392—State Park and Recreation Fund

(1) Item 3790-802-392, Chapter 1032/73, 80.80.002.005, Road Repairs.

890—Federal Trust Fund

(1) Item 3790-301-890(1), Budget Act of 1992, 90.C4.400.920, Asilomar SB: Rocky Shores Addition—Acquisition.

3810-001-001—For support of Santa Monica Mountains Conservancy 144,000

Schedule:

(a)	10-Santa Monica Mountains Conservancy	599,000
(b)	Reimbursements	−40,000
(c)	Amount payable from the Santa Monica Mountains Conservancy Fund (Item 3810-011-941)	−415,000

3810-011-941—For support of Santa Monica Mountains Conservancy, for payment to Item 3810-001-001, payable from the Santa Monica Mountains Conservancy Fund 415,000

Item		Amount
3810-301-262—For capital outlay, Santa Monica Mountains Conservancy, payable from the Habitat Conservation Fund		10,000,000
Provisions:		
1. Of the funds appropriated in this item $3,524,000 shall be used for purposes consistent with the requirements of the Habitat Conservation Fund and the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.		
2. Of the funds appropriated in this item $6,476,000 shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.		
3810-311-140—For transfer by the State Controller to the Habitat Conservation Fund, payable from the California Environmental License Plate Fund		(6,476,000)
Provisions:		
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.		
3820-001-001—For support of San Francisco Bay Conservation and Development Commission		1,339,000
Schedule:		
(a) 10-Bay Conservation and Development	2,029,000	
(b) Reimbursements	−330,000	
(c) Amount payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3820-001-164)	−200,000	
(d) Amount payable from the Long Term Management Strategy Study Fund (Item 3820-001-248)	−160,000	
3820-001-164—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		200,000
3820-001-248—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-001, payable from the Long Term Management Strategy Study Fund		160,000
3860-001-001—For support of Department of Water Resources		15,272,000

Item		Amount
	Schedule:	
	(a) 10-Continuing Formulation of the California Water Plan	17,690,000
	(b) 20-Implementation of the State Water Resources Development System	1,399,000
	(c) 30-Public Safety and Prevention of Damage	20,195,000
	(d) 40-Services	5,028,000
	(e) 50.01-Management and Administration	48,253,000
	(f) 50.02-Distributed Management and Administration	−48,253,000
	(g) Reimbursements	−8,969,000
	(h) Amount payable from the Special Account for Capital Outlay (Item 3060-001-036)	−99,000
	(i) Amount payable from the California Environmental License Plate Fund (Item 3860-001-140)	−731,000
	(j) Amount payable from the California Water Fund (Item 3860-001-144)	−11,777,000
	(k) Amount payable from the Delta Flood Protection Fund (Item 3860-001-176)	−1,718,000
	(*l*) Amount payable from the 1984 State Clean Water Bond Fund (Item 3860-001-740)	−46,000
	(m) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-744)	−278,000
	(n) Amount payable from the Water Conservation Bond Fund of 1988 (Item 3860-001-790)	−432,000
	(o) Amount payable from the Federal Trust Fund (Item 3860-001-890)	−2,442,000
	(p) Amount payable from the Renewable Resources Investment Fund (Item 3860-001-940)	−2,548,000
	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, in-	

Item	Amount
cluding 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, 1994. Any unencumbered balances shall be returned to the appropriate funds as of June 30, 1994. 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 $20,379,000 and $20,655,000, respectively, without prior approval of the Department of Finance.	
3860-001-036—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Special Account for Capital Outlay.....	99,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-140—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the California Environmental License Plate Fund.....	731,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-144—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the California Water Fund.....	11,777,000
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, for payment to Item 3860-001-001, payable from the Delta Flood Protection Fund.....	1,718,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-740—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the 1984 State Clean Water Bond Fund.....	46,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	

Item	Amount
3860-001-744—For support of the Department of Water Resources, for payment to Item 3860-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund	278,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-790—For support of the Department of Water Resources, for payment to Item 3860-001-001, payable from the 1988 Water Conservation Bond Fund	432,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-890—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Federal Trust Fund	2,442,000
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, for payment to Item 3860-001-001, payable from the Renewable Resources Investment Fund	2,548,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-005-144—For support of Department of Water Resources, payable from the California Water Fund, for transfer to the Delta Flood Protection Fund	(13,600,000)
3860-011-144—For transfer by the Controller to the General Fund, payable from the California Water Fund	(6,000,000)
3860-101-036—For local assistance, Department of Water Resources, Program 30.20—Flood Control Subventions, payable from the Special Account for Capital Outlay	12,000,000
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. No expenditures shall be made until the	

Item	Amount
local organizations give assurance that they shall 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 organization shall hold and save the State of California free from damages or claims due to the construction, installation, operation and maintenance of the project.	
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 expenditures and 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, Program 30.20-Flood Control Subventions, payable from the Delta Flood Protection Fund	10,801,000
3860-101-740—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1984 State Clean Water Bond Fund	643,000
3860-101-744—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1986 Water Conservation and Water Quality Bond Fund	20,000,000

Item Amount

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3860-101-786—For local assistance, Department of Water Resources, Program 10.10-Water Management Planning, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program 370,000

3860-101-790—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the Water Conservation Bond Fund of 1988 14,000,000

3860-301-036—For capital outlay, Department of Water Resources, payable from the Special Account for Capital Outlay 5,685,000

Schedule:

(1) 30.90.050-Sutter Maintenance Yard-fuel tank replacement	175,000
(2) 30.90.055-West Interceptor Canal.	220,000
(3) 30.90.060-Sacramento Maintenance Yard-fuel tank replacement	170,000
(4) 30.95.010-Sacramento River Bank Protection Project	1,800,000
(5) 30.95.090-Cherokee Canal	520,000
(6) 30.95.105-Marysville/Yuba Levee Reconstruction	1,410,000
(7) Reimbursements	−1,410,000
(8) 30.95.140-Opportunity Purchases..	2,800,000

Provisions:

1. The amounts appropriated in Categories (4) to (6), inclusive of this item are for acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pits, 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. The amounts appropriated in Categories (4) to

Item Amount

(6), inclusive are also for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items which are an obligation of the state in connection with the completion or operation of the projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works, and other structures and facilities and for appraisals, surveys, and engineering studies incidental thereto.

2. The funds appropriated in Categories (4) to (6), inclusive 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 28, funds may be transferred, with the approval of the Department of Finance, between projects specified in Categories (4) to (5), inclusive, of this item. The Director of Finance shall notify, in writing, the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine prior to any transfer.
4. The amount appropriated in Category (8) of this item may be used for acquisition of land, easements, and rights-of-ways, including but not limited to, borrow pits, spoil areas, and easements for levees, clearing, flood control works, and flowage, and for appraisals surveys, necessary for the completion and operation of the Sacramento River bank project and the Marysville/Yuba Levee Reconstruction project.

3860-490—Reappropriation, Department of Water Resources. 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:

140—California Environmental License Plate Fund

Item		Amount
(1) Item 3860-301-140(1), Budget Act of 1988, 30.95.025—Sacramento-San Joaquin River Riparian Purchases		

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

3900-001-044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund		62,712,000
Schedule:		
(a) 15-Mobile Source	53,687,000	
(b) 25-Stationary Source	39,795,000	
(c) 30.01-Administration	9,313,000	
(d) 30.02-Distributed Administration	−9,313,000	
(e) Reimbursements	−4,470,000	
(f) Amount payable from the Air Pollution Control Fund (Item 3900-001-115)	−9,050,000	
(g) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-421)	−8,312,000	
(h) Amount payable from the Air Toxics Inventory and Assessment Account, General Fund (Item 3900-001-434)	−5,627,000	
(j) Amount payable from the Petroleum Violation Escrow Account (Item 3900-001-853)	−148,000	
(k) Amount payable from the Federal Trust Fund (Item 3900-001-890)	−3,163,000	
3900-001-115—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Air Pollution Control Fund		9,050,000
3900-001-421—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Vehicle Inspection and Repair Fund		8,312,000
3900-001-434—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Air Toxics Inventory and Assessment Account, General Fund		5,627,000
3900-001-853—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Petroleum Violation Escrow Account		148,000
3900-001-890—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Federal Trust Fund		3,163,000

Item		Amount
3900-011-465—For transfer by the Controller from the Energy Resources Programs Account to the General Fund		(204,000)
3900-101-044—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) 25-Stationary Source	7,511,000	
3910-001-226—For support of California Integrated Waste Management Board, for payment to Item 3910-001-387, payable from the Tire Recycling Management Fund		2,744,000
3910-001-281—For support of California Integrated Waste Management Board, for payment to Item 3910-001-387, payable from the Recycling Market Development Revolving Loan Account		5,164,000
3910-001-387—For support of California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund		27,690,000
Schedule:		
(a) 10-Planning and Enforcement	14,923,000	
(b) 15-Disposal Site Cleanup and Maintenance	21,944,000	
(c) 20-Waste Reduction and Resource Recovery	29,382,000	
(d) 25-Tire Recycling	2,744,000	
(e) 30-Administration	9,239,000	
(f) Distributed Administration	−9,239,000	
(g) Reimbursements	−188,000	
(h) Amount payable from California Used Oil Recycling Fund (Public Resources Code Section 48653)	−11,263,000	
(i) Amount payable from Tire Recycling Management Fund (Item 3910-001-226)	−2,744,000	
(j) Amount payable from Recycling Market Development Revolving Loan Account (Item 3910-001-281)	−5,164,000	
(k) Amount payable from Solid Waste Disposal Site Cleanup and Maintenance Account (Item 3910-001-435)	−21,944,000	

Item	Amount
Provisions: 1. Notwithstanding Section 42145 of the Public Resources Code, the board may offset the costs of administering the revolving loan program for Recycling Market Development Zones with funds appropriated in this item. 2. The Integrated Waste Management Board shall not increase above $0.75 per ton the fees authorized by Section 48000 of the Public Resources Code sooner than 30 days after submitting to the Chair of the Joint Legislative Budget Committee and the legislative fiscal committees a report that explains the need for increasing the fees. The report shall identify (a) the extent of the shortfall in the Integrated Waste Management Account (IWMA), including information on current and projected revenues to, and expenditures from, the IWMA, (b) the reasons for the shortfall in the IWMA, (c) an evaluation of the options for addressing the shortfall in the IWMA, and (d) the board's reasons for increasing fees, rather than implementing other identified options, to address the shortfall.	
3910-001-435—For support of California Integrated Waste Management Board, for payment to Item 3910-001-387, payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, Integrated Waste Management Fund	21,944,000
3910-003-387—For transfer by the State Controller to the Recycling Market Development Revolving Loan Account as a loan pursuant to Public Resources Code Section 42145(e), payable from the Integrated Waste Management Account	(5,000,000)
3910-101-226—For local assistance, California Integrated Waste Management Board, payable from the Tire Recycling Management Fund	1,000,000
3910-101-435—For local assistance, California Integrated Waste Management Board, payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, Integrated Waste Management Fund	8,500,000
3930-001-001—For support of Department of Pesticide Regulation	8,444,000
Schedule: (a) 12-Registration and Health Evaluation 12,224,000	

Item		Amount
(b) 17-Enforcement, Environmental Monitoring and Data Management	21,354,000	
(c) 20.10-Executive and Administration Services	2,434,000	
(d) 20.20-Distributed Executive and Administrative Services	−2,244,000	
(e) Reimbursements	−372,000	
(f) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-001-106)	−21,369,000	
(g) Amount payable from the Environmental License Plate Fund (Item 3930-001-140)	−513,000	
(h) Amount payable from the Food Safety Account (Item 3930-001-224)	−1,748,000	
(i) Amount payable from the Federal Trust Fund (Item 3930-001-890)	−1,322,000	
Provisions:		
1. Notwithstanding Sections 11513 and 12784 of the Food and Agricultural Code, the amount appropriated by this item from the Department of Pesticide Regulation Fund shall be available for the purposes of the Department of Pesticide Regulation.		
3930-001-106—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Department of Pesticide Regulation Fund		21,369,000
3930-001-140—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Environmental License Plate Fund		513,000
3930-001-224—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Food Safety Account		1,748,000
3930-001-890—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Federal Trust Fund		1,322,000
3930-101-001—For local assistance, Department of Pesticide Regulation		2,449,000
Schedule:		
(a) 17-Enforcement, Environmental Monitoring and Data Management	9,359,000	

Item		Amount
(b) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-101-106)	−816,000	
(c) Amount payable from the Department of Pesticide Regulation Fund (Food and Agricultural Code Section 12844)	−6,094,000	
3930-101-106—For local assistance, Department of Pesticide Regulation, for payment to Item 3930-101-001, payable from the Department of Pesticide Regulation Fund		816,000
3940-001-001—For support of State Water Resources Control Board		27,282,000
Schedule:		
(a) 10-Water Quality	220,426,000	
(b) 20-Water Rights	7,865,000	
(c) 30.01-Administration	11,433,000	
(d) 30.02-Distributed Administration	−11,433,000	
(e) Reimbursements	−7,175,000	
(f) Amount payable from the Leaking Underground Storage Tank Cost Recovery Fund (Item 3940-001-025)	−3,800,000	
(g) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-193)	−11,271,000	
(h) Amount payable from the Environmental Protection Trust Fund (Item 3940-001-225)	−1,909,000	
(i) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-235)	−761,000	
(j) Amount payable from the Bay Protection and Toxic Cleanup Fund (Item 3940-001-282)	−4,520,000	
(jx) Amount payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, Integrated Waste Management Fund (Item 3940-001-435)	−2,457,000	
(k) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-436)	−85,000	

Item		Amount
(*l*)	Amount payable from the Underground Storage Tank Cleanup Fund (Item 3940-001-439)	−133,465,000
(m)	Amount payable from the Underground Storage Tank Fund (Item 3940-001-475)	−1,022,000
(n)	Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482)	−302,000
(o)	Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-740)	−2,977,000
(p)	Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3940-001-744)	−287,000
(q)	Amount payable from the 1988 Clean Water and Water Reclamation Fund (Item 3940-001-764)	−645,000
(r)	Amount payable from the Federal Trust Fund (Item 3940-001-890) ..	−30,333,000

Provisions:

1. Notwithstanding any other provisions of law, upon approval and order of the Director of Finance, the State Water Resources Control Board may borrow sufficient funds, from special funds which otherwise provide support for the board, for cash purposes. Any such loans are to be repaid with interest at the Pooled Money Investment Account rate.
2. The State Water Resources Control Board shall establish an Economic Impact Studies and Evaluation Unit that is responsible for evaluating all proposed orders and decisions of the board with respect to their economic impact pursuant to the board's general powers and responsibilities as delineated in Division 7 (commencing with Section 13000) of the Water Code. The unit shall be composed of four positions, three of which shall be economists and one of which shall be a secretary. This unit shall be managed by, and shall report to, the executive officer of the board. These positions shall be established with existing funds.
3. Of the funds appropriated in this item, one-half of the amount shall be available for expenditure

Item	Amount
through December 31, 1993. The remainder of the funds appropriated in this item shall be available after December 31, 1993, only if the State Water Resources Control Board has complied with Provision 2 of this item.	
3940-001-025—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Leaking Underground Storage Tank Cost Recovery Fund	3,800,000
3940-001-193—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Waste Discharge Permit Fund..	11,271,000
3940-001-225—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Environmental Protection Trust Fund	1,909,000
3940-001-235—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	761,000
3940-001-282—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Bay Protection and Toxic Cleanup Fund	4,520,000
Provisions: 1. Of the amount appropriated in this item, $500,000 shall be expended for the purpose of an epidemiological study to determine the adverse health effects of urban runoff on swimmers at urban beaches. These funds shall only be available for expenditure if SB 1084 of the 1993–94 Regular Session is chaptered, and requires the board to prepare an epidemiological study as described in this provision.	
3940-001-435—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, Integrated Waste Management Fund	2,457,000
3940-001-436—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Tester Account	85,000
3940-001-439—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Cleanup Fund	133,465,000

Item	Amount
3940-001-475—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Fund	1,022,000
Provisions: 1. Pursuant to subdivision (b) of Section 25287 of the Health and Safety Code, 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 1993–94 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 payment to Item 3940-001-001, payable from the Surface Impoundment Assessment Account, General Fund	302,000
3940-001-740—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1984 State Clean Water Bond Fund	2,977,000
3940-001-744—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund	287,000
3940-001-764—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1988 Clean Water and Water Reclamation Fund	645,000
3940-001-890—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Federal Trust Fund	30,333,000
3940-011-740—For transfer by the State Controller from the 1984 State Clean Water Bond Fund to the State Water Pollution Control Revolving Fund created pursuant to Section 13477 of the Water Code	1,151,000
3940-101-744—For local assistance, State Water Resources Control Board, payable from the 1986 Water Conservation and Water Quality Bond Fund	21,000,000
3960-001-013—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Federal Receipts Account, Hazardous Waste Control Account	5,200,000

Item		Amount
3960-001-014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account		80,802,000
Schedule:		
(a) 12-Site Mitigation	47,768,000	
(b) 13-Hazardous Waste Management	43,114,000	
(c) 14-Pollution Prevention, Public and Regulatory Assistance	14,233,000	
(d) 15-Statewide Support	14,058,000	
(e) 16.01-Program Direction and Support	21,531,000	
(f) 16.02-Distributed Program Direction and Support	−19,318,000	
(g) Reimbursements	−2,709,000	
(h) Amount Payable from Federal Receipts Fund (Item 3960-001-013)	−5,200,000	
(i) Amount Payable from Hazardous Waste Control Account (Item 3960-010-014)	−5,600,000	
(j) Amount Payable from Railroad Accident Prevention and Response Fund (Item 3960-001-059)	−2,618,000	
(k) Amount Payable from Federal Trust Fund (Item 3960-001-890)	−24,457,000	
Provisions:		
1. Of the amount appropriated in this item, $1,000,000: (a) shall be for the purposes of Section 25354 of the Health and Safety Code emergency response activity, (b) shall be in lieu of any appropriation made pursuant to that section, and (c) shall be transferred by the Controller into the Hazardous Waste Control Account.		
2. Notwithstanding any other provision of law, the unobligated balance in the Hazardous Substance Account as of June 30, 1993, shall be transferred to the Hazardous Waste Control Account.		
3960-001-018—For support of Department of Toxic Substances Control, payable from the Site Remediation Account, General Fund		5,375,000
Schedule:		
(4) 12.10.030.025-McColl Site	512,000	
(5) 12.10.030.065-Unforeseen Removals	250,000	
(6) 12.10.030.070-Enforcement Support	500,000	
(9) 12.10.030.120-Chico Groundwater	600,000	

Item		Amount
(11)	12.10.030.130-El Pueblo Road Plume	300,000
(12)	12.10.030.135-San Leandro Regional Plume	832,000
(13)	12.10.030.140-Singer Friden	856,000
(14)	12.10.030.145-McMinn	325,000
(15)	12.10.30.150-Valley Wood Preserving	250,000
(16)	12.10.30.155-Mobile Smelting	550,000
(17)	12.10.30.160-Site Evaluations	400,000

Provisions:

1. Notwithstanding Section 6.50 and Section 28.00 of this act, the Director of the Department of Toxic Substances Control may transfer amounts to or from projects scheduled in this item, however, no project schedule shall be increased or reduced by more than $100,000 under this provision.
2. The Director of the Department of Toxic Substances Control may schedule additional projects, remove scheduled projects, or transfer from project to project or reduce amounts in excess of $100,000. Any such adjustments may not be authorized sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, the chairperson of the legislative fiscal committees that act on the department's budget, the chairperson of the policy committee of the Assembly designated by the Speaker of the Assembly, and the chairperson of the policy committee of the Senate designated by the Senate Rules Committee, unless the Department determines that an earlier action is necessary to prevent or mitigate the threat of an imminent and substantial endangerment to public health or the environment resulting from current conditions at a hazardous substance release site.
3. The Director of the Department of Toxic Substances Control shall report not later than 30 days after each calendar quarter to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the respective policy committees of the Senate and Assembly, any actions taken under Provisions 1 and 2 of this item for which prior notification has not been provided.

Item	Amount
4. Notwithstanding Section 2.00 of the Budget Act, this appropriation shall be available in accordance with the provisions of Section 25330.2 of the Health and Safety Code.	
3960-001-059—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Hazardous Spill Prevention Account, Railroad Accident Prevention and Response Fund	2,618,000
Provisions:	
1. Notwithstanding the provisions of Section 7714(a) of Article 10 of the Public Utilities Code, the aggregate of appropriations from the Hazardous Spill Prevention Account in the Railroad Accident Prevention and Response Fund may exceed three million dollars ($3,000,000) for the fiscal year beginning July 1, 1993.	
3960-001-890—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Federal Trust Fund	24,457,000
Provisions:	
1. Notwithstanding Section 28.00, any amount in excess of the amount appropriated in Item 3960-001-890, received for reimbursement of costs that were incurred in prior years, shall be transferred to the Hazardous Waste Control Account.	
3960-010-014—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Hazardous Waste Control Account	5,600,000
Provisions:	
1. The amount appropriated in this item will not be available for expenditure unless and until 30 days after the Department of Finance authorizes expenditure from this item and notifies the Joint Legislative Budget Committee and the fiscal committee of each house of the Legislature that there will be sufficient money in the Hazardous Waste Control Account for both this item and Item 3960-001-014. The Department of Finance may authorize an amount to be expended which is less than $5,600,000 if the Department of Finance determines that the amount available in the Hazardous Waste Control Account is more than sufficient for Item 3960-001-014 but not sufficient for 3960-001-014 and the full amount appropriated in this item. The funds ap-	

Item		Amount
propriated by this item may be transferred to Item 3960-001-014 upon approval by the Department of Finance.		
3960-011-058—For transfer by the State Controller from the Rail Accident Prevention and Response Fund to the Hazardous Spill Prevention Account, Rail Accident Prevention and Response Fund		(3,000,000)
3960-492—Reappropriation, Department of Toxic Substances Control. Notwithstanding any other provision of law, the unencumbered balance of the appropriation provided in Item 4260-012-710 of the Budget Act of 1988, is reappropriated for the purposes of, and in augmentation of, Schedules (a) and (b) of Section 7 of Chapter 1439 of the Statutes of 1985, and shall be available for encumbrance and expenditure until June 30, 1996.		
3960-495—Reversion, Department of Toxic Substances Control. Notwithstanding any other provision of law, as of June 30, 1993, $1,118,000 of the appropriation provided in Chapter 1428 of the Statutes of 1985 shall revert to the General Fund.		
3980-001-001—For support of Office of Environmental Health Hazard Assessment		3,167,000
Schedule:		
(a) 10-Health Risk Assessment	12,929,000	
(b) Reimbursements	−8,246,000	
(c) Amount payable from the Motor Vehicle Account (Item 3980-001-044)	−49,000	
(d) Amount payable from the Hazardous Spill Prevention Account, Railroad Accident Prevention and Response Fund (Item 3980-001-059)	−402,000	
(e) Amount payable from the Environmental License Plate Fund (Item 3980-001-140)	−842,000	
(f) Amount payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund (Item 3980-001-164)	−223,000	
3980-001-044–For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Motor Vehicle Account		49,000

Item		Amount
3980-001-059–For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Hazardous Spill Prevention Account, Railroad Accident Prevention and Response Fund		402,000
3980-001-140—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Environmental License Plate Fund		842,000
3980-001-164–For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund		223,000
HEALTH AND WELFARE		
4100-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund		5,818,000
Schedule:		
(a) 10-State Council Operations	1,227,000	
(b) 20-Community Program Development	1,258,000	
(c) 30-Allocation to Area Boards	3,333,000	
Provisions:		
1. In the event federal funds are available to the state council in excess of the amounts appropriated in this item, the additional funds shall be used only for the following purposes, unless the funds are specifically designated by federal law for other purposes:		
(a) To augment the allocation to the Program Development Fund.		
(b) To fund the costs of salary and benefit increases approved by the Legislature that exceed the Budget Act appropriation.		
4110-001-001—For support of Area Boards on Developmental Disabilities		0
Schedule:		
(a) 10-Area Board Services	3,333,000	
(b) Reimbursements	−3,333,000	
Provisions:		
1. Of the amount appropriated by this item, $100,000 shall be spent on the Partners in Policymaking project.		
4120-001-001—For support of Emergency Medical Services Authority		1,089,000

Item		Amount
	Schedule:	
	(a) 10-Emergency Medical Services Authority	2,467,000
	(b) Reimbursement	−314,000
	(c) Amount payable from the Federal Trust Fund (Item 4120-001-890)	−597,000
	(d) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-312)	−467,000
	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.	
	2. Each region shall be eligible to receive up to one-half of the total cost of a minimal system for that region, as defined by the authority. However, the authority may reallocate unclaimed funds among regions.	
	3. Notwithstanding Provision 1(b), regions with a population of 300,000 or less as of June 30, 1993, shall receive the full amount for which they are eligible if they provide a cash match of $0.41 per capita or more. Failure to provide local cash contributions at the specified level shall result in a proportional reduction in state funding.	
4120-001-312—For support of Emergency Medical Services Authority, for payment to Item 4120-001-001, payable from the Emergency Medical Services Personnel Fund		467,000
4120-001-890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-001, payable from the Federal Trust Fund		597,000

Item	Amount
4120-011-312—The Controller shall transfer the unencumbered balance, as of June 30, 1994, of the Emergency Medical Services Personnel Fund to the General Fund.	
4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies	2,435,000
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	1,650,000
4130-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund	85,303,000
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. Of the amount appropriated in this item, $7,008,000 is appropriated for the Info California pilot project. Expenditures for Info California shall not exceed the revenues generated by the pilot project. Additionally, Info California revenues and expenditures are to be accounted for separately for purposes of the department's rate	

Item		Amount
structure development and cost recovery mechanisms. It is the intent of the Legislature that: (a) on an annual basis, the expenditures for the pilot project shall not exceed the revenues generated by the pilot project, (b) the implementation of the pilot project shall not result in increased non-Info California data-processing costs to client agencies nor result in service delivery degradation, and (c) the pilot project shall be formally evaluated before additional kiosks are installed using state funds. No funds appropriated by this item for the Info California pilot project shall be available for that pilot project if any funds from the General Fund are appropriated for that purpose. No funds appropriated by this item for the Info California pilot project shall be available for that pilot project if any elected official's name, likeness, or voice appears on, or is included in, any audio, video, or printed material that is produced by or for the Info California pilot project.		
4140-001-001—For support of Office of Statewide Health Planning and Development		1,029,000
Schedule:		
(a) 10-Health Policy and Analysis	2,805,000	
(b) 25-Demonstration Projects	475,000	
(c) 30-Health Professions Development	2,261,000	
(d) 42-Facilities Development	15,329,000	
(dd) 45-Cal Mortgage Loan Insurance	2,691,000	
(e) 60-Health Facilities Data	7,256,000	
(f) 80.01-Administration	5,969,000	
(ff) 80.02-Distributed Administration	−5,839,000	
(fg) Unallocated Reduction	−140,000	
(g) Reimbursements	−422,000	
(h) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121)	−15,329,000	
(i) Amount payable from the California Health Data and Planning Fund (Item 4140-001-143)	−9,387,000	
(j) Amount payable from the Registered Nurse Education Fund (Item 4140-001-181)	−614,000	

Item		Amount
(k) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund, (Section 28, Chapter 278, Statutes of 1991)	−432,000	
(*l*) Amount payable from the Health Facilities Construction Loan Insurance Fund (Section 436.26, Health and Safety Code)	−3,094,000	
(m) Amount payable from the Minority Health Professions Education Fund (Section 69800, Education Code)	−500,000	
Provisions:		
1. The reduction made by Schedule (fg) shall be applied so that a proportional reduction in the support of exempt positions from the General Fund is made relative to the cumulative support in this item from the General Fund.		
4140-001-121—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the Hospital Building Account, Architecture Public Building Fund		15,329,000
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.		
4140-001-143—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the California Health Data and Planning Fund		9,387,000
4140-001-181—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the Registered Nurse Education Fund		614,000
4140-101-001—For local assistance, Office of Statewide Health Planning and Development		2,445,000

Item		Amount
Schedule:		
(a) 30-Health Professions Development (Family Physician Training)	2,845,000	
(b) Reimbursements	−400,000	
Provisions:		
1. Notwithstanding subdivision (a) of Section 2.00 of this act, or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools or programs that 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 the 1994–95, 1995–96, and 1996–97 fiscal years. The amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1993.		
4140-101-143—For local assistance, Office of Statewide Health Planning and Development, payable from the California Health Data and Planning Fund		500,000
Schedule:		
(a) 30-Health Professions Development (Family Physician Training)	500,000	
Provisions:		
1. Notwithstanding subdivision (a) of Section 2.00 of this act, or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools, for programs that train primary care physicians' assistants, and for contracts with hospitals or other health care delivery systems located in California, that 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 expenditure in the 1994–95, 1995–96, and 1996–97 fiscal years. The amount appropriated by this item shall only be available for expenditure to fund those contracts that commence on or after July 1, 1993.		

Item		Amount
	2. It is the intent of the Legislature that no additional funds shall be appropriated in the future from the California Health Data and Planning Fund for support of the Family Physician Training Program.	
4140-490—Reappropriation—Office of Statewide Health Planning and Development. Notwithstanding any other provision of law, the balance of the appropriation made by Item 4140-001-181 of the Budget Act of 1992 is reappropriated for the purposes of providing nursing scholarships and educational loan repayment assistance to underrepresented minorities and others who agree, in exchange for the educational assistance they receive, to a period of obligated professional service in areas of California designated by the state Health Manpower Policy Commission as deficient in primary care health services.		
4170-001-001—For support of Department of Aging		3,397,000
Schedule:		
(a) 10-Nutrition	2,745,000	
(b) 20-Senior Community Employment Service.....	395,000	
(c) 30-Supportive Services and Centers.....	1,760,000	
(d) 40-Special Projects.....	4,074,000	
(e) 50.01-Administration	5,090,000	
(f) 50.02-Distributed Administration..	−5,090,000	
(g) Reimbursements.....	−2,054,000	
(h) Amount payable from the Federal Trust Fund (Item 4170-001-890)..	−3,523,000	
Provisions:		
1. The Director 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. The notification shall include: (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 avail-		

Item		Amount
able for their support; and (4) the impact of any transfer on the level of services.		
4170-001-890—For support of Department of Aging, for payment to Item 4170-001-001, payable from the Federal Trust Fund		3,523,000
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. The notification shall include: (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		28,693,000
Schedule:		
(a) 10-Nutrition	60,196,000	
(b) 20-Senior Community Employment Service	6,169,000	
(c) 30-Supportive Services and Centers	31,892,000	
(d) 40-Special Projects	28,560,000	
(e) Reimbursements	−12,412,000	
(f) Amount payable from the Federal Trust Fund (Item 4170-101-890)	−85,712,000	
Provisions:		
1. Provision 1 of Item 4170-001-001 is also applicable to this item.		
4170-101-890—For local assistance, Department of Aging, for payment to Item 4170-101-001, payable from the Federal Trust Fund		85,712,000
Provisions:		
1. Provision 1 of Item 4170-001-890 is also applicable to this item.		
2. Notwithstanding the provisions of Section 28.00(c) of this act, the Department of Finance upon notification by the Department of Aging		

Item	Amount
may authorize augmentations in this item for budget revisions submitted by Area Agencies on Aging and approved by the Department of Aging for estimated entitlements of per-meal reimbursements from the U.S. Department of Agriculture and for funds allocated to Area Agencies on Aging for federal Title III one-time-only allocations in accordance with subdivision (c) of Section 9315 of the Welfare and Institutions Code.	
4170-111-939—For local assistance, Department of Aging, Program 10 Nutrition, payable from the Nutrition Reserve Fund	288,000
Provisions:	
1. Notwithstanding any other provision of law, the $288,000 appropriated in this item shall be used for the Nutrition Program.	
2. Any funds loaned from the Nutrition Reserve Fund to a senior nutrition project shall be authorized pursuant to the provisions of Division 9, Chapter 5.7 of the Welfare and Institutions Code—Nutrition Program for the Elderly—(commencing with Section 18325). If moneys in the Nutrition Reserve Fund are insufficient to fund an approved loan, the Director of Finance is authorized to provide a loan from the General Fund to the Nutrition Reserve Fund. The General Fund loan shall be limited to the amount necessary to fund the shortfall in the Nutrition Reserve Fund.	
4180-001-983—For support of Commission on Aging, payable from the California Fund for Senior Citizens	320,000
Provisions:	
1. Funds appropriated in this item from the California Fund for Senior Citizens shall be allocated by the Commission on Aging for the purposes specified in Section 18512 of the Revenue and Taxation Code.	
2. Pursuant to Section 18512 of the Revenue and Taxation Code, the unencumbered balance of this item as well as the unencumbered balance of prior year appropriations from the California Fund for Senior Citizens may be carried over and expended in any following fiscal year.	
4180-002-886—For support of Commission on Aging, payable from the California Seniors Special Fund	88,000

Item		Amount
Provisions:		
1. Pursuant to Section 18514.2 of the Revenue and Taxation Code, the unencumbered balance of this item as well as the unencumbered balance of prior year appropriations from the California Seniors Special Fund may be carried over and expended in any following fiscal year.		
4180-002-890—For support of Commission on Aging, payable from the Federal Trust Fund		241,000
4200-001-001—For support of the Department of Alcohol and Drug Programs		3,896,000
Schedule:		
(a) 10-Alcohol Program	11,413,500	
(b) 20-Drug Program	13,911,500	
(c) 30.01-State administration	6,603,000	
(d) 30.02-State administration—distributed	−6,534,000	
(e) Reimbursements	−1,341,000	
(f) Amount payable from Drinking Driver Program Licensing Trust Fund (Item 4200-001-139)	−1,721,000	
(g) Amount payable from Methadone Program Licensing Trust Fund (Item 4200-001-243)	−570,000	
(h) Amount payable from Audit Repayment Trust Fund (Item 4200-001-816)	−67,000	
(i) Amount payable from the Federal Trust Fund (Item 4200-001-890)	−16,885,000	
(j) Amount payable from Federal Trust Fund (Item 4200-001-890, Budget Act of 1992, as reappropriated in Item 4200-490, Budget Act of 1993)	−914,000	
Provisions:		
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-101-001.		
2. The Director of the Department of Finance may authorize the transfer of the support General Fund appropriation among the Alcohol Program, the Drug Program, and the Administration Program in response to shifts in workload among the three programs.		
3. On or before September 3, 1993, the Department of Alcohol and Drug Programs shall pursue a waiver and explore other options for relief		

Item		Amount
	from the Maintenance-of-Effort (MOE) requirement for receipt of federal block grant funds. In addition, in calculating the MOE requirement, the department shall explore the inclusion of all county match funds. After consultation with the Joint Legislative Budget Committee, the fiscal committees of each house of the Legislature, the California Association of Alcohol and Drug Program Executives, and the County Alcohol and Drug Administrators Association, the department shall make a decision as to whether to formally seek a waiver from the MOE requirement and include county match funds in its MOE calculation. This provision does not obligate counties to continue funding drug and alcohol programs at the current level.	
4200-001-139—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Drinking Driver Program Licensing Trust Fund		1,721,000
	Provisions:	
	1. Notwithstanding any other provision of law, the Director of the Department of Finance may authorize expenditures for the Drinking Driver Program Licensing Trust Fund 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.	
4200-001-243—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Methadone Program Licensing Trust Fund		570,000
	Provisions:	
	1. Notwithstanding any other provision of law, the Director of the Department of Finance may authorize expenditures for the Methadone Program Licensing Trust Fund 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	

Item	Amount
than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-001-816—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Audit Repayment Trust Fund	67,000
4200-001-890—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Federal Trust Fund	16,885,000
Provisions:	
1. Any provision of Item 4200-001-001 relevant to this item also shall be applicable to this item.	
4200-101-001—For local assistance, Department of Alcohol and Drug Programs	62,258,000
Schedule:	
(a) 10-Alcohol Program 67,035,000	
(b) 20-Drug Program..... 103,321,000	
(c) 25-Pilot Project Combined Services Program 72,864,000	
(d) Reimbursements..... −21,820,000	
(e) Amount payable from the Federal Trust Fund (Item 4200-101-890) . −158,998,000	
(f) Amount payable from Resident-Run Housing Revolving Fund (Item 4200-101-977) ..... −144,000	
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-001-001.	
2. The Department of Alcohol and Drug Programs may withhold and reallocate funds if a county does not submit its alcohol and drug plan pursuant to Sections 11815 and 11983.1 of the Health and Safety Code, and its county alcohol and drug cost reports pursuant to subdivision (a) of Section 11818.5 and subdivision (e) of Section 11991.5 Safety Code. The amount withheld may be 1/365 of the final county allocation of state and federal funds for each day either the plan or cost report, or both is delinquent beyond 90 days from the receipt of the final allocation. Any funds withheld may be reallocated to counties for the purpose of funding unmet needs.	
3. Upon approval of the Director of the Department of Finance, the Department of Alcohol and Drug Programs may transfer such funds as	

Item		Amount
	are necessary between Program 25, Pilot Project Combined Services, and Program 10, Alcohol Program, and Program 20, Drug Program.	
	4. Recognizing the $12,600,000 reduction in the Federal Substance Abuse Block Grant, the Department of Alcohol and Drug Programs, in addition to any other funds appropriated by this act for this purpose, shall subvene any unexpended funds from Item 4200-101-001 of the Budget Act of 1992 to counties to be expended in accordance with the county subvention formula with special emphasis on unserved and underserved populations.	
4200-101-890—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-001, payable from the Federal Trust Fund. Provisions:		158,998,000
	1. Any provision of Item 4200-101-001 relevant to this item also shall be applicable to this item.	
	2. The Department of Alcohol and Drug Programs shall require county offices of alcohol and drug programs to give funding priority, within the funds expended on youth prevention programs, to establishing, expanding, or improving programs that target high-risk youth.	
	3. Those counties that are participating in the pilot project, "Services for Alcohol and Drug Abusing Pregnant and Parenting Women and Their Infants", may provide case management and alcohol and drug treatment to women outside the pilot project catchment area, but women within the catchment area shall have priority for services.	
	4. Recognizing the $12,600,000 reduction in the Federal Substance Abuse Block Grant, the Department of Alcohol and Drug Programs, in addition to any other funds appropriated in this act for this purpose, shall subvene any unexpended funds from Item 4200-101-890 of the Budget Act of 1992 to counties to be expended in accordance with the county subvention formula with special emphasis on unserved and underserved populations.	
	5. Any and all reductions in the Federal Substance Abuse Block Grant shall be apportioned in a manner that minimizes the impact on local assistance. The methodology for apportionment is	

Item		Amount
	to be agreed upon between the Department of Alcohol and Drug Programs, the County Alcohol and Drug Administrators Association, and the California Association of Alcohol and Drug Program Executives.	
4200-101-977—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-001, payable from the Resident-Run Housing Revolving Fund		144,000
Provisions:		
1. To the extent that moneys available in the Resident-Run Housing Revolving Trust Fund are less than the amount appropriated in this item, this appropriation shall be limited to that lesser amount.		
2. Notwithstanding any other provision of law, if revenues and loan repayments to the Resident-Run Housing Revolving Trust Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Alcohol and Drug Programs 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.		
4200-102-001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs		16,214,000
Schedule:		
(a) 25-Pilot Project Combined Services Program	26,210,000	
(b) Reimbursements	−9,996,000	
Provisions:		
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4200-001-001 for support costs associated with the perinatal substance abuse treatment programs.		
2. In an effort to support the Female Offender Substance Abuse Program, the Department of Alcohol and Drug Programs shall do the following:		

Item		Amount
(a) Work with the Department of Corrections to secure discretionary federal grants for this project by December 31, 1993.		
(b) Fund the first two quarters of the 1993–94 fiscal year at an amount not to exceed $385,000 for the community portion of the project.		
(c) In the event funding is not secured through the federal grant process by December 31, 1993, the Department of Alcohol and Drug Programs shall work with the four participating counties to make priority admissions for women parolees who have graduated from the "Forever Free" program. These admissions shall be tracked by the counties using the existing automated California Alcohol and Drug Data System.		
4200-490—Reappropriation, Department of Alcohol and Drug Programs. Notwithstanding any other provision of law, the balance of the appropriations provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1994.		
890—Federal Trust Fund:		
(1) Item 4200-001-890, (b), Program 20, Budget Act of 1992, $914,000 for drug programs.		
4220-001-001—For support of Child Development Programs Advisory Committee appointed pursuant to Section 8254 of the Education Code		235,000
Schedule:		
(a) 10-Continuing program costs	236,000	
(b) Reimbursements	−1,000	
4260-001-001—For support of Department of Health Services		135,956,000
Schedule:		
(1) 10-Public and Environmental Health	144,733,000	
(2) 20-Health Care Services	304,771,000	
(3) 30.01-Departmental Administration	63,433,000	
(4) 30.02-Departmental Administration Distributed	−61,193,000	
(5) Reimbursements	−16,240,000	
(6) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044)	−355,000	

Item		Amount
(7)	Amount payable from the Occupational Lead Poisoning Prevention Account, General Fund (4260-001-070)	−1,339,000
(8)	Amount payable from the Medical Waste Management Fund (Item 4260-001-074)	−508,000
(9)	Amount payable from the Radiation Control Fund (Item 4260-001-075)	−6,300,000
(10)	Amount payable from the Tissue Bank License Fund (Item 4260-001-076)	−313,000
(11)	Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-080)	−2,911,000
(12)	Amount payable from the Export Document Program Fund (Item 4260-001-082)	−121,000
(13)	Amount payable from the Radon Contractor Certification Fund (Item 4260-001-092)	−20,000
(14)	Amount payable from the Water Device Certification Special Account (Item 4260-001-129)	−70,000
(15)	Amount payable from the AIDS Vaccine Research and Development Grant Fund (Item 4260-001-135)	−5,000
(16)	Amount payable from the Vital Records Improvement Project Fund (Item 4260-001-137)	−1,257,000
(17)	Amount payable from the Food Safety Fund (Item 4260-001-177)	−2,097,000
(18)	Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-179)	−1,923,000
(19)	Amount payable from the Genetic Disease Testing Fund (Item 4260-001-203)	−51,780,000
(20)	Amount payable from the Low-Level Radioactive Waste Disposal Fund (Item 4260-001-227)	−1,474,000
(21)	Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-234)	−1,649,000

Item		Amount
(22)	Amount payable from the Safe Drinking Water Account, General Fund (Item 4260-001-306) ...	−7,892,000
(23)	Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-335)	−197,000
(24)	Amount payable from the Mosquitoborne Disease Surveillance Account (Item 4260-001-478)	−25,000
(25)	Amount payable from the Emergency Services and Supplemental Payments Fund (Item 4260-001-693)	−107,000
(26)	Amount payable from the California Alzheimer's and Related Disorders Research Fund (Item 4260-001-823)	−572,000
(27)	Amount payable from the Medi-Cal Inpatient Adjustment Fund (Item 4260-001-834)	−712,000
(28)	Amount payable from the Federal Trust Fund (Item 4260-001-890)	−216,844,000
(29)	Amount payable from the Local Health Capital Expenditure Account, County Health Services Fund (Item 4260-001-900)	−17,000
(30)	Amount payable from the California Breast Cancer Research Fund (Item 4260-001-945)	−100,000
(31)	Amount payable from State Legalization Impact Assistance Grant (SLIAG) Fund (Allocated from Section 23.50 of this act)....	−960,000

Provisions:

1. Of the total amount of reimbursements in this item, $1,200,000 shall be available for administration, research and training projects with other state departments as submitted with the 1993–94 Governor's Budget. 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 of this act for any new project or any increase in excess of $200,000 of an identified project.

Item	Amount
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 1993–94 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, 1993, the annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital and chemical dependency recovery hospital shall be $48.25 per bed. Effective July 1, 1993, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $160.27 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, shall be decreased by 12.4 percent effective July 1, 1993. Notwithstanding subdivision (b) of Section 116 of the Health and Safety Code, departmental fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 116 of the Health and Safety Code, shall be increased by 1.4 percent effective July 1, 1993. 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 0.5 percent.	
4. The Department of Health Services shall establish a system of fees for various services and programs including any voluntary or mandatory population-based screening programs provided by the Genetic Disease Branch. The fee shall be sufficient to cover the total costs of providing all such genetic disease or population based screen-	

Item	Amount
ing services and programs provided by the Genetic Disease Branch. 5. It is the intent of the Legislature that the Office of the State Registrar be fully supported by fees. 6. The reduction made in state operations support in this item may be allocated at the discretion of the Department of Health Services, except that no more than a 10 percent reduction shall be made to the Birth Defects Monitoring Project or the Tumor Registry.	
4260-001-044—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Motor Vehicle Account, State Transportation Fund	355,000
4260-001-070—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Occupational Lead Poisoning Prevention Account, General Fund	1,339,000
4260-001-074—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Medical Waste Management Fund.	508,000
4260-001-075—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Radiation Control Fund	6,300,000
4260-001-076—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Tissue Bank License Fund	313,000
4260-001-080—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Childhood Lead Poisoning Prevention Fund	2,911,000
4260-001-082—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Export Document Program Fund	121,000
4260-001-092—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Radon Contractor Certification Fund	20,000
4260-001-129—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Water Device Certification Special Account	70,000
4260-001-135—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the AIDS Vaccine Research and Development Grant Fund	5,000

Item	Amount
4260-001-137—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Vital Records Improvement Project Fund	1,257,000
4260-001-177—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Food Safety Fund	2,097,000
4260-001-179—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Environmental Laboratory Improvement Fund	1,923,000
4260-001-203—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Genetic Disease Testing Fund	51,780,000

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.
2. Prior to implementing the Triple Marker Screening Program, the Genetic Disease Testing Program shall adopt a protocol in consultation with professional associations representing obstetric and gynecological health care providers.
3. The Legislature finds that timely implementation of the Triple Marker Screening Program requires expenditious regulatory and administrative procedures to obtain the most cost-effective electronic data processing, hardware, software services, testing equipment, and testing services contracts.

   The expenditure of funds from this item for these purposes shall not be subject to the provisions of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The Department of Health Services shall provide the Department of Finance with documentation justifying that equipment and services have been obtained at the lowest cost and consistent with technical requirements for a comprehensive high quality program.
4. In the event that the full Triple Marker Screening Program cannot be implemented prior to March 30, 1994, the Department of Health Services shall report to the Legislature on alternative plans for genetic screening as considered in

Item	Amount
consultation with professional associations outlined in Provision 2.	
4260-001-227—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Low-Level Radioactive Waste Disposal Fund	1,474,000
4260-001-234—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	1,649,000
4260-001-306—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Safe Drinking Water Account, General Fund	7,892,000
4260-001-335—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Registered Environmental Health Specialist Fund	197,000
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 Registered Environmental Health Specialist Fund.	
4260-001-478—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Mosquitoborne Disease Surveillance Account	25,000
4260-001-693—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Emergency Services and Supplemental Payments Fund	107,000
Provisions:	
1. To the extent that moneys available in the Emergency Services and Supplemental Payments Fund are less than the amount appropriated in this item, this appropriation shall be limited to that lesser amount.	
2. Notwithstanding any other provision of law, if revenues to the Emergency Services and Supplemental Payments Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Health Services 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	

Item	Amount
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.	
3. Moneys appropriated by this item and augmentations authorized pursuant to Provision 2 may be transferred by executive order approved by the Director of Finance from the Department of Health Services to the California Medical Assistance Commission if revenues to the Emergency Services and Supplemental Payments Fund are sufficient to create allocation workload for that commission.	
4260-001-823—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the California Alzheimer's and Related Disorders Research Fund	572,000
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 California Alzheimer's and Related Disorders Research Fund.	
4260-001-834—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Medi-Cal Inpatient Payment Adjustment Fund	712,000
4260-001-890—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Federal Trust Fund	216,844,000
Provisions:	
1. Limitations and conditions applicable to Item 4260-001-001 are also applicable to this item if appropriate.	
2. Of the amount appropriated in this item, $54,957,000 shall be transferred to the Public Health Federal Fund and shall be available for administration, research and training projects as submitted with the 1993–94 Governor's Budget. The Department of Health Services shall provide notification pursuant to Section 28 of this act for any new project or any increase in excess of $200,000 of an identified project.	
4260-001-900—For support of Department of Health Services, in lieu of the amounts which would otherwise be appropriated in the Local Health Capi-	

Item	Amount
tal Expenditure Account of the County Health Services Fund pursuant to Chapter 1351, Statutes of 1980, for payment to Item 4260-001-001, payable from the Local Health Capital Expenditure Account	17,000
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.	
4260-001-945—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the California Breast Cancer Research Fund	100,000
4260-002-942—For support of Department of Health Services, payable from the Health Facilities Citation Penalties Account, Special Deposit Fund	1,000,000
4260-005-137—Notwithstanding any other provision of law, the Controller shall transfer the unencumbered balance, up to $6,200,000, as of and on June 30, 1993, from the Vital Records Improvement Project Fund to the General Fund	(6,200,000)
4260-005-177—Notwithstanding any other provision of law, the Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Food Safety Fund to the General Fund	(209,000)
4260-005-179—Notwithstanding any other provision of law, the Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Environmental Laboratory Improvement Fund to the General Fund	(400,000)
4260-005-182—Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Electromagnetic Field Study Fund to the General Fund	(7,000)
4260-005-302—Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Large Water Systems Account, General Fund to Safe Drinking Water Account, General Fund	(393,000)
4260-005-335—Notwithstanding any other provision of law, the Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Registered Environmental Health Specialist Fund to the General Fund	(248,000)

Item	Amount
4260-005-486—Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Emergency Clean Water Grant Fund to the General Fund	(241,000)
4260-005-899—Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the County Health Services Account, County Health Services Fund to the General Fund	(1,604,000)
4260-005-900—Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Local Health Capital Expenditure Account, County Health Services Fund to the General Fund	(1,000,000)
4260-005-901—Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance, as of and on June 30, 1993, from the Medically Indigent Services Program Account, County Health Services Fund to the General Fund	(191,000)
4260-007-890—For support of Department of Health Services, payable from the Federal Trust Fund....	18,739,000
Provisions:	
1. Notwithstanding limitations and conditions of provisions of Section 28 of this act, adjustments may be made to align the federal funds for legislative actions and other technical adjustments affecting the recipient department's appropriation authority.	
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	5,532,058,000
Schedule:	
(a) 20.10.030-Benefits (Medical Care and Services) 12,926,131,000	
(b) 20.10.010-Eligibility (County Administration) 868,540,000	
(c) 20.10.020-Fiscal Intermediary Management 120,678,000	
(d) Prior Fiscal Year Reconciliation .. 0	
(e) Amount payable from the Federal Trust Fund (Item 4260-101-890) ..... −8,087,651,000	
(f) Amount payable from Federal Trust Fund (Item 4260-103-890) .. −27,571,000	

Item Amount

(g) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Section 23.50) ..... —268,069,000

Provisions:

1. The aggregate principal amount of disproportionate share hospital general obligation debt which may be issued in the 1993–94 fiscal year pursuant to subparagraph (A) of paragraph (2) of subdivision (f) of Section 14085.5 of the Welfare and Institutions Code shall be $0.
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 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 af-

Item Amount

ter 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 $50,000 may be allocated for attorney's 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.
8. When a date for public hearing has been established for a change in any program, rule, or regulation, the two fiscal committees and the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is $1,000,000 or more.
9. Contracts negotiated between the Drug Discount Program and pharmaceutical manufacturers to add drug products to, or delete drug products from, the Medi-Cal list of contract drugs shall be submitted to the Department of Finance for concurrence in their fiscal impact and for determination that sufficient funds are available prior to the effective date of the contract.
10. 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

Item Amount

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. The semiannual estimates of Medi-Cal expenditures due to the Legislature in January and May may constitute the notification required by this provision.

11. 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.
12. 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.
13. The Department of Finance may transfer funds representing all or any portion of any estimated savings which are a result of improvements in the Medi-Cal claims processing procedures, from the Medi-Cal services budget or the support budget of the Department of Health Services (Item 4260-001-001) to the fiscal intermediary budget item for purposes of

Item Amount

making improvements to the Medi-Cal claims system.

14. The Department of Finance is authorized to transfer funds from available savings in this item to Item 4260-001-001 to implement the Statewide Automated Welfare System (SAWS), subsequent to the approval of a Feasibility Study Report. In the event that savings available in this item are insufficient to fund the estimate of increased costs for SAWS, and subsequent to the approval of a Feasibility Study Report, the Department of Finance is authorized to approve expenditures in amounts in excess of the appropriations in this item that are necessary to implement SAWS and shall so report to the Legislature. At the time the report is made, the appropriation shall be increased by the amount of the excess unless and until otherwise provided by law.
15. Medi-Cal savings incurred by the Health Insurance Premium Payment Program resulting from federally funded health insurance premium subsidies may be used for persons with HIV prior to Medi-Cal eligibility to add additional drug therapies to the AIDS drug program.
16. Notwithstanding the provisions of subdivision (a) of Section 2.00 and Section 6.50 of this act, the Department of Finance may authorize transfer of expenditure authority between category (a), (b), or (c) and category (d), Prior Fiscal Year Reconciliation. Category (d) may be used for the liquidation of prior years' excess obligations of Item 4260-101-001.

    The Director of Finance shall not authorize such a transfer until 30 days after notifying the Legislature. The Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code shall constitute the notification to the Legislature, unless additional notification is necessary.
17. Notwithstanding any savings assumed from hospital inpatient payments for the 1993–94 fiscal year, the California Medical Assistance Commission may approve a contract with a hospital providing Medi-Cal funded bone marrow transplant services for inpatient services

Item		Amount
	without regard to the assumed savings and which may be paid by an appropriation pursuant to Section 27.00 of this act.	
20.	The Department of Health Services shall review all elective medical procedures for Medi-Cal patients to determine which procedures may be delayed or performed within a lower cost setting. In determining which procedures may be appropriately delayed or treated in an alternative setting, the department shall be guided by commonly accepted medical practice parameters. Any change in departmental policy resulting from this review shall be accomplished through the departmental regulatory process. The department shall implement these procedures in a manner that is not harmful to the health of the patients.	
21.	In the implementation of the Managed Care Initiative, those existing managed care contractors that have a contracted maximum enrollment, who become Knox-Keene licensed, shall retain their existing contract maximum authority as a Knox-Keene licensed plan. Any current PCCM that became Knox-Keene licensed prior to the implementation of the two-model plan shall be treated the same as other existing prepaid health plans. Until the implementation of the two-plan model in a designated region, the aggregate enrollment level of all prepaid health plans and PCCM plans operating in the region shall not exceed the maximum enrollment level for the mainstream plan established by the Department of Health Services. If the maximum enrollment level for the mainstream plan in the region is exceeded and if the sum of the prepaid health plan contract maximums in the region is greater than the maximum enrollment level for the mainstream plan in the region, the department shall negotiate amendments to the prepaid health plan contracts to set contract maximum specific to the region that will assist in bringing the total enrollment level in conformance with the maximum enrollment level for the mainstream plan.	
22.	The Department of Health Services shall implement the provisions of Chapter 1150 of the	

Item Amount

Statutes of 1992 to establish a pilot program that implements a delegated treatment authorization request system in two small, rural northern California hospitals.

4260-101-693—Notwithstanding any other provision of law, moneys available in the Emergency Services and Supplemental Payments Fund, after the appropriation made by Item 4260-001-693 of this act, are hereby appropriated to the Department of Health Services for expenditure for local assistance for the purposes specified in Chapter 996, Statutes of 1989, as amended by Chapter 993, Statutes of 1992. Any funds encumbered pursuant to this provision shall be reported by the Department of Health Services to the Director of Finance and the Legislative Analyst on a quarterly basis.

4260-101-890—For local assistance, Department of Health Services, for payment to Item 4260-101-001, payable from the Federal Trust Fund 8,087,651,000

Provisions:

1. Any of the provisions in Item 4260-101-001 that are relevant to this item shall also be applicable to this item.

4260-102-001—For local assistance, Department of Health Services, Program 20.10.030-Benefits (Medical Care and Services), for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code..... 6,924,000

4260-102-890—For local assistance, Department of Health Services, Program 20.10.030 (Medical Care and Services), for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code 6,924,000

4260-103-890—For local assistance, for refugee services, Department of Health Services, for payment to Item 4260-101-001, payable from the Federal Trust Fund..... 27,571,000

4260-111-001—For local assistance, Department of Health Services..... 254,859,000

Schedule:

(a) 10.10.010-Vital Records Improvement Project.....	300,000
(b) 10.30.020-Epidemiological Studies	2,315,000
(bx) 10.30.030-Health Risk Assessment	6,000,000
(c) 10.30.040-Chronic Diseases.....	7,132,000

Item		Amount
(d)	10.30.050-Communicable Disease Control	45,834,000
(e)	10.30.060-AIDS	70,014,000
(f)	20.30-County Health Services	27,404,000
(g)	20.40-Primary Care and Family Health	664,219,000
(h)	Reimbursements-Primary Care and Family Health, WIC Rebates and Recoveries	−134,560,000
(i)	Reimbursements—Primary Care and Family Health, CCS and GHPP enrollment fees	−735,000
(j)	Amount payable from the Childhood Lead Poisoning Prevention Fund (4260-111-080)	−8,815,000
(k)	Amount payable from the Vital Records Improvement Fund (Item 4260-111-137)	−300,000
(kx)	Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-233)	−3,176,000
(ky)	Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-236)	−3,027,000
(*l*)	Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50 of this act)	−4,754,000
(m)	Amount payable from the Federal Trust Fund (Item 4260-111-890)	−412,992,000

Provisions:

0.5. Program 10.30.050-Communicable Disease Control:

(a) Of the amount appropriated in this item, $1,772,000 shall be available, upon implementation of the direct purchase of the Measles Mumps Rubella (MMR) vaccine in the Child Health Disability Prevention and Early Periodic Screening Diagnosis and Treatment programs, to fund the expansion of immunization services in nonprofit community health centers. None of these funds shall be expended by local health departments until the Department of Health Services determines that the

Item Amount

needs of all qualifying applicant nonprofit community health centers have been met.

1. Program 10.30.060-AIDS:
   (a) 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 develop 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.
   (b) The Department of Health Services, Office of AIDS may subsidize the health insurance premiums for persons who are eligible to receive AIDS drug treatment under the AIDS Drug Program, under the following conditions:
      (1) The eligible person's health insurance covers drug treatments available through the AIDS Drug Program.
      (2) The annual cost of the health insurance premiums do not exceed the annual cost of providing AIDS drugs for the eligible person.
   (c) The Office of AIDS shall fund a media campaign, augment technical assistance, or fund the State Department of Education for a school-based AIDS education program only after funding is provided at the minimum level to (1) all proposals submitted in

Item Amount

response to the Education and Prevention Request for Proposal by applicants that either (i) received a passing score, met other performance criteria, and received a notice of intent to award or (ii) received a passing score, met performance criteria, and were contractors during the 1992–93 fiscal year, and (2) all projects that operated a school-based AIDS education pilot, were contractors during the 1992–93 fiscal year and met performance criteria.

(d) The Department of Health Services, Office of AIDS, shall use behavioral survey data, as provided through AIDS-related research activities conducted by the University of California, in conjunction with epidemiological information to assist in targeting HIV education and prevention efforts.

2. Program 20.30-County Health Services:

(a) Notwithstanding any other provisions of law, any money recovered for previously paid health care services and interest earned by the CMSP fund, 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. Program 20.40-Primary Care and Family Health:

(a) Notwithstanding the provisions of Section 28.00 of this act, the Department of Finance, upon request by the Department of Health Services, may authorize and approve a budget revision to augment Schedule (h) Primary Care and Family Health, WIC Rebates and Recoveries, in this item for any additional rebate moneys or recoveries which become available for the Women, Infants, and Children (WIC) Supplemental Food Program during this fiscal year.

(b) The Department of Health Services shall take all necessary steps to ensure that family planning funds unexpended at the end of fiscal year 1993–94 be redistributed to the 1993–94 family planning contract agencies.

Item	Amount
(c) The Department of Health Services shall develop a revised method of determining the appropriate maintenance of effort requirement for county support of the California Children's Services (CCS) program. The method of determination shall take into account the need to adjust on an ongoing basis for reasonable caseload expansion and increases in the cost of medical care. The department shall consider a method that would permit the creation of a pool of county funds to pay for treatment claims from counties with populations less than 200,000. The methodology shall be developed in consultation with the California State Association of Counties, the County Health Executives Association of California, the California Conference of Local Health Officers, administrators of county CCS programs, California Children's Hospital Association, and a consumer representative.	
(d) Beginning in the 1993–94 fiscal year, the department shall initiate a phased-in transfer of CCS case management activities to dependent counties or to other alternative case management arrangements, including county consortiums, CCS pilot projects, or nonprofit organizations.	
(e) Beginning in the 1993–94 fiscal year, counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the CCS program. Fifty percent of the projected enrollment and assessment fee for each county shall be offset from the state's match for that county.	
(f) Of the amount appropriated in Item 4260-111-890 from Title V Federal Maternal and Child Health Funds, $150,000 may be allocated to the University of California for nurse midwife training programs if other federal funding in support of these programs is reduced or eliminated and if the department determines that providing the funds will increase the access to prenatal care for medically underserved populations.	

Item	Amount
4260-111-080—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Childhood Lead Poisoning Prevention Fund	8,815,000
4260-111-137—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Vital Records Improvement Project Fund	300,000
4260-111-233—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund	3,176,000
4260-111-236—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund	3,027,000
4260-111-890—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Federal Trust Fund	412,992,000

Provisions:

1. Of the amount appropriated in this item, $46,400,000 shall be transferred to the Public Health Federal Fund and shall be available for administration, research and training projects as submitted with the 1993–94 Governor's Budget. The Department of Health Services shall provide notification pursuant to Section 28 of this act for any new project or any increase in excess of $200,000 of an identified project.

4260-401—Notwithstanding any other provision of law and in the event that funds in the Cigarette and Tobacco Products Surtax Fund are insufficient to fund the appropriations set forth in the Budget Act of 1993 or Chapter 1170 of the Statutes of 1991, the Director of Finance may authorize the reduction of the amounts appropriated from the Cigarette and Tobacco Products Surtax Fund for the State Department of Health Services in this act or Chapter 1170 of the Statutes of 1991, for the State Department of Health Services, consistent with the provisions of Section 43 of Chapter 278 of the Statutes of 1991.

Item Amount

4260-490—Reappropriation, State Department of Health Services. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purposes specified, and shall be available for encumbrance and expenditure until January 1, 1996.

001—General Fund

(1) Subdivision (a) of Section 2 of Chapter 1463 of the Statutes of 1986, as reappropriated by Item 4260-490(1) of Section 2.00 of Chapter 587 of the Statutes of 1992 (Budget Act of 1992), for state support of human trials for AIDS vaccine research. Notwithstanding any other provision of law, a manufacturer with management or officers based in this state and operations for research and manufacture of an AIDS vaccine in this state shall be eligible for state support for human clinical trials for AIDS vaccine research, even though, pursuant to federal Food and Drug Administration procedural requirements, the Food and Drug Administration approval is granted to the federal agency. Funds appropriated in this item may be allocated only to the manufacturers specified in the protocol approved by the federal Food and Drug Administration or the State Department of Health Services. No funds appropriated in this item may be allocated unless and until the AIDS Vaccine Research and Development Advisory Committee approves the allocation by an affirmative vote of the membership thereof.

4260-492—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, $20,318,000 of the appropriation provided in the following citation is reappropriated for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 1994.

236—Unallocated Account

(1) Subdivision (b) of Section 21.50 of Chapter 587 of the Statutes of 1992. This money is reappropriated to fund the OBRA Prenatal Program.

4270-001-001—For support, California Medical Assistance Commission..... 1,039,000

Item		Amount
Schedule:		
(a) 10-California Medical Assistance Commission	2,077,000	
(b) Reimbursements	−1,038,000	
4280-001-309—For support of Major Risk Medical Insurance Board, for payment to Item 4280-001-313, payable from the Perinatal Insurance Fund		687,000
4280-001-313—For support of Major Risk Medical Insurance Board, payable from the Major Risk Medical Insurance Fund		831,000
Schedule:		
(a) 10-Major Risk Medical Insurance Program	831,000	
(b) 20-Perinatal Insurance Program	687,000	
(c) 30-Small Employers Purchasing Pool Program	266,000	
(d) Amount payable from the Perinatal Insurance Fund, (Item 4280-001-309)	−687,000	
(e) Amount payable from the Voluntary Alliance Uniting Employers Fund, (Item 4280-001-957)	−266,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Major Risk Medical Insurance Board 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.		
4280-001-957—For support of Major Risk Medical Insurance Board, for payment to Item 4280-001-313, payable from the Voluntary Alliance Uniting Employers Fund		266,000
4300-001-001—For support of Department of Developmental Services		20,740,000
Schedule:		
(a) 10-Community Services Program.	33,167,000	
(b) 20-Developmental Centers Program	12,744,000	
(bx) Community Living Options	950,000	
(c) 35.01-Administration	16,428,000	
(d) 35.02-Distributed Administration	−16,428,000	

Item		Amount
(e) Reimbursements	−1,090,000	
(f) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-172)	−221,000	
(g) Amount payable from the Federal Trust Fund (Item 4300-001-890)	−24,711,000	
(h) Amount payable from the Developmental Disabilities Account (Item 4300-001-496)	−99,000	

Provisions:

1. Of the amount appropriated in this item, $950,000 shall be expended only for implementation of a court-approved settlement in the case of Coffelt v. Developmental Services.

4300-001-172—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Developmental Disabilities Program Development Fund 221,000

4300-001-496—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Developmental Disabilities Service Account 99,000

4300-001-890—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Federal Trust Fund 24,711,000

4300-003-001—For support of Department of Developmental Services, for Developmental Centers 14,877,000

Schedule:

(a) 20-Developmental Centers Program	558,489,000	
(ax) 20.10-Community Living Option	748,000	
(b) Reimbursements	−538,646,000	
(c) Amount payable from the Special Account for Capital Outlay (Item 4300-003-036)	−4,152,000	
(d) Amount payable from the Federal Trust Fund (Item 4300-003-890)	−990,000	
(e) Amount payable from the Lottery Education Fund (Item 4300-003-814)	−572,000	

Provisions:

2. The General Fund shall make a loan available to the Department of Developmental Services not to exceed a cumulative total of $130,000,000. The loan funds will be transferred to this item as needed to meet cash-flow needs due to delays in

Item Amount

collecting reimbursements from the Health Care Deposit Fund, and subject to the repayment provisions of Section 16351 of the Government Code.

3. Of the amount appropriated in Schedule 20, $746,700 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. To the extent that the department is eligible to receive additional Title XIX Medi-Cal reimbursements as a result of population increases in the developmental centers, the department is authorized to expend those reimbursements for the care of the additional clients upon approval of the Director of Finance.
   (a) The Director of Finance is authorized to approve the department's request for any emergency expenditure of additional Medi-Cal reimbursements in those amounts which are in excess of amounts appropriated in this act for the 1993–94 fiscal year subject to the following conditions: (1) the reimbursements occur as a result of population increases in the state developmental centers (SDCs) exceeding the amount budgeted, (2) the proposed expenditures are for the direct costs of caring for the additional clients.
   (b) Approval for any emergency expenditure shall be made in writing by the Director of Finance 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 each request.
   (c) As used in this provision, "emergency expenditure" means an expenditure incurred in response to conditions which threaten the health, safety, or direct care of clients in the SDCs.
   (d) The department shall report quarterly to the Chairperson of the Joint Legislative Budget Committee and the chairperson of

Item		Amount
	the fiscal committee of each house on the cumulative requests approved pursuant to subdivisions (a) and (b). The report shall contain information regarding the amount and circumstances related to any expenditures made pursuant to this provision. This report shall be filed within 15 days after the close of each fiscal quarter.	
	5. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-101-001 and 4440-011-001.	
	6. Of the amount appropriated in this item, $748,000 shall be expended only for implementation of a court-approved settlement in the case of Coffelt v. Developmental Services.	
	7. Notwithstanding any other provision of law, the Department of Developmental Services shall implement a $922,000 reduction in the developmental center appropriation. This reduction shall be taken from funding that supports non-level-of-care staffing, operating expenses, and equipment, and any other area supported by that appropriation excluding support for level-of-care staffing.	
4300-003-036—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Special Account for Capital Outlay		4,152,000
4300-003-814—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Lottery Education Fund		572,000
	Provisions:	
	1. All funds received pursuant to Proposition 37 that are allocable to the Department of Developmental Services 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. These additional funds may be expended only upon written approval of the Director of Finance.	
4300-003-890—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Federal Trust Fund		990,000

Item			Amount
4300-004-001—For support of Department of Developmental Services (Proposition 98), for Developmental Centers			17,371,000
Schedule:			
(a) 20-Developmental Centers Program		25,607,000	
(1) 20.17-AB 1202 Contracts	10,147,000		
(2) 20.66-Medi-Cal Eligible Education Services	15,460,000		
(b) Reimbursements		−8,236,000	
Provisions:			
1. Of the amount appropriated in this item, $7,800,000 is to be used to provide the General Fund match for Medi-Cal Eligible Education Services.			
4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers			507,939,000
Schedule:			
10.10-Regional Centers			
(a) 10.10.010-Operations		144,981,000	
(b) 10.10.020-Regional Centers-Purchase of Services		564,140,000	
(bx) 10.10.030-Community Living Options-Operations		11,210,000	
(by) 10.10.040-Community Living Options-Purchase of Services		7,500,000	
(c) 10.20.010-Program Development		1,773,000	
(d) 10.20.030-Cultural Center for the Handicapped		146,000	
(dx) Unallocated Reduction		−5,000,000	
(e) Reimbursements		−214,443,000	
(f) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-172)		−2,368,000	
Provisions:			
1. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this item, and Item 4300-003-001. Provided further, that the Director of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund, to Item 4260-101-001 for the state's share of expenditures for developmental ser-			

Item Amount

vices provided to persons eligible under the California Medical Assistance Program.

3. 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.
4. A loan shall be made available from the General Fund to the Department of Developmental Services (DDS) not to exceed a cumulative total of $90,000,000. 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 are subject to the repayment provisions of Section 16351 of the Government Code.
5. 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 for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition program.
6. The Department of Developmental Services, in consultation with the Department of Health Services and the regional centers, shall identify all regional center clients that may be eligible for Medi-Cal services provided through the Model Waiver, Skilled Nursing Facility Waiver, and the In-Home Medical Care Waiver in order to ensure that (a) the maximum number of available waiver slots can be filled, and (b) the Department of Developmental Services fills available slots with those clients whose participation in a waiver program will maximize General Fund savings.
7. The Director of the Department of Developmental Services (DDS) shall continue its independent living demonstration project based on the "supported living model." The demonstration project shall provide appropriate residential and support services for persons with developmental disabilities who reside in their own homes. Funds for the project shall be within the available appropriation and shall be allocated in

Item Amount

the regional center contracts. No more than two regional centers and a total of 60 regional center clients shall participate in the Supported Life Project in the 1993–94 fiscal year. DDS shall designate the participating regional centers, and evaluate the effectiveness and fiscal impact of the Supported Life Project.

8. Regional centers shall assist regional center clients in applying for Medi-Cal services under the Model Waiver, Skilled Nursing Facility Waiver, and In-Home Medical Care Waiver.
10. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Item 5160-001-001 and Item 5160-101-001 to provide for the net transfer of clients between the Department of Developmental Services and the Department of Rehabilitation for the following:
    (a) The conversion of regional center day programs to work activity or supported employment programs.
    (b) The transfer between day programs and VR/WAP or VR/SEP.
    (c) Clients originating from (b) above who transfer to a work activity or a supported employment program upon closure from VR.

    The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.
11. Of the funds appropriated in this item, $18,710,000 shall be expended only for implementation of a court-approved settlement in Coffelt v. Developmental Services (San Francisco Superior Court Case No. 916401).
12. The unallocated reduction in Schedule (dx) shall be distributed as follows: 25 percent to Operations and 75 percent to Purchase of Services.
13. Of the funds appropriated in this item for the regional centers, $1,000,000 that is in augmentation of the amount in the Governor's proposed Budget for the 1993–94 fiscal year shall

Item		Amount
be used only for the purpose of offsetting any reductions in the SSI/SSP benefits to adult persons not residing with a family member or in a licensed residential facility.		
4300-101-172—For local assistance, Department of Developmental Services, for payment to Item 4300-101-001, payable from the Developmental Disabilities Program Development Fund		2,368,000
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.		
4300-301-036—For capital outlay, Department of Developmental Services, payable from the Special Account for Capital Outlay		394,000
Schedule:		
(4) 55.55.250-Sonoma: Upgrade/Install Fire Alarm System—Preliminary Plans, Working Drawings and Construction	394,000	
4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, the balance of the appropriations provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1994.		
001—General Fund:		
(1) Item 4300-101-001, (b) 10.10.020, Budget Act of 1992, $21,358,000 for regional centers.		
4440-001-001—For support of Department of Mental Health		17,831,000
Schedule:		
(a) 10-Community Services	23,672,000	
(b) 20-State Hospital Services	4,374,000	
(c) 35.01-Departmental Administration	6,963,000	

Item		Amount
(d)	35.02-Distributed Departmental Administration	−6,963,000
(e)	Reimbursements	−7,015,000
(g)	Amount payable from the Federal Trust Fund (Item 4440-001-890)	−3,200,000

Provisions:

1. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, 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.
2. The State Department of Mental Health may adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code to implement realignment, which includes, but is not limited to, the provisions of Chapter 89 of the Statutes of 1991 (AB 1288) and Chapter 611 of the Statutes of 1991 (AB 1491). The adoption of these regulations shall be deemed to be an emergency and necessary to the immediate preservation of the public peace, health or safety. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the department in order to implement realignment shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State and shall remain in effect for one year only.
3. The Department of Mental Health/County Mental Health Directors' Association Task Force on the Future of State Hospitals shall solicit local community input in its discussions on maximizing the use of state mental hospitals.

4440-001-890—For support of Department of Mental Health, for payment to Item 4440-001-001, payable from the Federal Trust Fund 3,200,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are

Item		Amount
	necessary between this item and Item 4440-101-890.	
4440-011-001—For support of the State Hospitals, Department of Mental Health		147,091,000
Schedule:		
(a)	20.10-Lanterman-Petris-Short Act... 208,099,000	
(b)	20.20-Penal Code and Judicially Committed..... 150,338,000	
(c)	20.30-Other State Hospital Services..... 45,973,000	
(d)	Reimbursements.....—219,787,000	
(dx)	Reimbursements-Patient Generated.....—34,000,000	
(e)	Amount payable from Special Account for Capital Outlay (Item 4440-011-036) to Program 20.20.... —3,532,000	
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 pursuant to the Lanterman-Petris-Short Act.	
2.	Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-003-001, 4300-004-001, 5240-001-001, and 5460-001-001.	
3.	Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, 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 Schedules 20.10 and 20.20, $129,000 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 and Series 1991 A.	
5.	Of the amount appropriated in Schedule (b), and following approval by the Department of Mental Health, up to $250,000 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	

Item		Amount
	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. Notwithstanding any other provisions of law, the Department of Mental Health shall limit the Sex Offender Research Program to a maximum of 35 beds.	
	7. The reimbursements identified in Schedule (d) of this item shall include amounts received by the Department of Mental Health as a result of billing for LPS state hospital bed day expenditures attributable to conservatees who are gravely disabled as defined in subparagraph (B) of paragraph (1) of subdivision (h) of Section 5008 of the Welfare and Institutions Code (Murphy Conservatee).	
	8. Of the total amount attributable in the 1993–94 fiscal year to patient-generated collections for Lanterman-Petris-Short patients, a total of $8,000,000, subject to update in the May Revision, shall be transferred as revenue to the General Fund and the remainder shall be used to offset county costs for LPS state hospital beds.	
	9. Notwithstanding any other provision of law, the Department of Mental Health shall implement a $6,500,000 reduction in the state hospital appropriation as provided in the May Revision. This reduction shall be taken from the funding that supports non-level-of-care staffing, operating expenses and equipment, and any other area of the appropriation excluding support for level-of-care staffing. This reduction is not limited solely to the General Fund and may include all sources of funds that currently support the Department of Mental Health state hospitals.	
4440-011-036—For support of the State Hospitals, Department of Mental Health, for payment to Item 4440-011-001, payable from the Special Account for Capital Outlay		3,532,000
4440-016-001—For support, Department of Mental Health, for Conditional Release Services		14,045,000
Schedule:		
(a) 10-Community Services	14,045,000	

Item Amount

Provisions:

1. The funds in this item shall be used to provide community services as provided in Section 4360 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, and following 30-day notification to the Joint Legislative Budget Committee, 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.
3. The Department of Mental Health shall provide outpatient services mandated in Title 15 (commencing with Section 1600) of Part 2 of the Penal Code, through contracts with the county mental health program. If the county mental health program is unwilling to provide services, the Department of Mental Health shall seek to contract with a private provider. In the event no county mental health program or private provider is willing to provide forensic outpatient services through contract to a county or region, the Department of Mental Health shall itself provide such services.
4. Of the amount appropriated in this item, it is intended that no funds shall be available for the payment of treatment services to persons on court visit from state hospitals to the community as designated in subdivision (a) of Section 4117 of the Welfare and Institutions Code.

4440-101-001—For local assistance, Department of Mental Health 16,599,000

Schedule:

(a) 10.25-Community Services—Other Treatment	187,030,000
(b) 10.40-Adult System of Care Pilots	7,772,000
(c) 10.47-Children's mental health services	5,297,000
(d) 10.85-AIDS	1,500,000
(e) Reimbursements	−185,000,000

Provisions:

1. Augmentations to reimbursements in this item from the Office of Emergency Services for Di-

Item Amount

saster Relief are exempt from the provisions of Section 28.00. The Department of Mental Health will provide written notification to the Joint Legislative Budget Committee describing the nature and planned expenditure of such funds when the amount received exceeds $100,000.

2. It is intended that local expenditures for mental health services for Medi-Cal eligible individuals serve as the match to draw down maximum federal financial participation to continue the Short-Doyle/Medi-Cal program.

4440-101-311—For local assistance, Department of Mental Health, Program 10—Community Services, for Traumatic Brain Injury Demonstration Projects, all funds which are transferred into the Traumatic Brain Injury Fund pursuant to subdivision (g) of Section 1464 of the Penal Code..... 500,000

4440-101-890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund..... 39,933,000

Schedule:

(a)	10.25-Community Services—other treatment	30,227,000
(b)	10.40-Adult System of Care Pilots	215,000
(c)	10.47-Children's Mental Health Services.....	5,806,000
(d)	10.75-Homeless Mentally Disabled.....	3,685,000

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. Notwithstanding any other provision of law, funds identified in Item 4440-101-890 of the Budget Act of 1992 for rollover by the counties in fiscal year 1993–94 shall be used only for the specified purposes for which they were allocated, subject to review and approval of the Department of Mental Health.
3. The Department of Mental Health may authorize advance payments of federal grant funds on a monthly basis to the counties for grantees. Such advance payments may not exceed one-

Item		Amount
	twelfth of the individual grant award for 1993–94.	
	4. The Department of Mental Health shall, to the extent possible, ensure that funds received pursuant to the Projects for Assistance in Transition from Homelessness program under the Stewart B. McKinney Assistance Amendments Act of 1990 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, screening and diagnostic treatment services, habilitation/rehabilitation services, community mental health services, alcohol or drug treatment services, staff training, case management, supportive and supervisory services in residential settings, referrals and allowable housing costs.	
	5. Of the amount appropriated by Category (c), $3,806,000 shall be available to fund county program proposals pursuant to Part 4 (commencing with Section 5850) of Division 5 of the Welfare and Institutions Code. Notwithstanding any other provision of law, county program proposals funded from this item shall be funded on a basis of 50 percent state funds and 50 percent county funds. In selecting new county program proposals for funding, the department shall give priority to those counties whose percentage share of current relative resources is below their percentage share of current relative needs, as those terms are defined in Section 5701 of the Welfare and Institutions Code.	
	6. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4440-001-890.	
	7. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Schedule (a) and Schedule (c) to meet federal requirements.	
4440-102-001—For local assistance, Department of Mental Health (Proposition 98)		10,000,000
4440-111-001—For local assistance, Department of Mental Health, for caregiver resource centers serving families of brain-impaired adults		5,047,000

Item	Amount
4440-131-001—For local assistance, Department of Mental Health, for services to special education pupils	12,334,000

Provisions:

1. In allocating to the counties funds for mental health services to pupils who are specified in accordance with Section 7570, et seq. of the Government Code and the Individuals with Disabilities Education Act Section 602(a) Amendments of 1990, as defined in Section 300.5 of Title 34 of the Code of Federal Regulations and who meet the requirements of Section 56026 of the Education Code and Sections 3030 and 3031 of Title 5 of the California Code of Regulations, the Department of Mental Health may allocate the funds based on the individual county's needs, in lieu of Section 5701 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, 1994.

4440-301-036—For capital outlay, Department of Mental Health, payable from the Special Account for Capital Outlay	1,609,000

Schedule:

(1) 55.10.205-Minor Projects..... 1,609,000

4440-495—Reversion, Department of Mental Health. As of June 30, 1993, the balance remaining in the following fund shall revert to the General Fund. 845-Mental Health Primary Prevention Fund	
5100-001-001—For support of Employment Development Department, for payment to Item 5100-001-870	19,493,000
5100-001-184—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Development Department Benefit Audit Fund	7,111,000

Provisions:

1. Notwithstanding any other provision of law, the amount of $4,000,000 shall be transferred from the unencumbered balance of the Benefit Audit Fund to the General Fund on June 30, 1994.

Item Amount

5100-001-185—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Development Contingent Fund 29,512,000

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.

5100-001-514—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Training Fund 72,720,000

Provisions:

1. 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. Expenditures for marketing and research provided under contract to the panel shall not be included in the 15 percent administrative cost limitation set forth in paragraph (2) of subdivision (a) of Section 10206 of the Unemployment Insurance Code.
2. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Employment Training Fund job training contracts during fiscal year 1993–94 are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Training Panel for job training contracts. The Employment Development Department shall notify the Legislature by September 1, 1994, of the actual amount of funds appropriated pursuant to this provision.
3. The funds appropriated for administrative costs of the Service Center program for the 1993–94 fiscal year shall not be deemed an administrative cost for purposes of paragraph (2) of subdi-

Item Amount

vision (a) of Section 10206 of the Unemployment Insurance Code.

5. Of the funds appropriated by this item, $2,700,000 shall be for the sole purpose of funding special employment training projects as authorized by Section 10214.5 of the Unemployment Insurance Code for participants of the Greater Avenues for Independence (GAIN) program. The panel may allocate funds for reasonable child care and transportation costs of trainees. The panel may waive the requirements of Sections 10201, 10205, 10206, and 10209 of the Unemployment Insurance Code, if necessary, to accomplish the special employment training projects funded by this provision.

5100-001-588—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Unemployment Compensation Disability Fund..... 120,307,000

Provisions:

1. The Employment Development Department shall submit on October 1, 1993, and April 20, 1994, 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 Employment Development Department 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 approved estimate of the Department of Finance. Revisions for the support of the Disability Insurance program reported pursuant to this provision are not

Item Amount

subject to the provisions of Section 28.00 of this act.

2. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.

5100-001-869—For support of state programs under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund 59,168,000

Schedule:

(a) 60.11-Administrative Cost Pool.....	11,763,000
(b) 60.20-Incentive and Technical Assistance	10,390,000
(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.....	15,931,000
(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 (b) 60.70, Adult and Youth Training Programs.

5100-001-870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal..... 513,665,000

Schedule:

(a) 10-Employment and Employment Related Services.....	172,110,000
(b) 20-Tax Collection and Benefit Payments	542,531,000
(c) 30.01-General Administration.....	44,023,000
(d) 30.02-Distributed General Administration.....	−40,461,000
(e) 50-Employment Training Panel...	65,291,000
(f) Reimbursements.....	−20,090,000
(g) Amount payable from the General Fund (Item 5100-001-001)	−19,493,000
(h) Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-184)	−7,111,000

Item		Amount
(i)	Amount payable from the Employment Development Contingent Fund (Item 5100-001-185) ...	−29,512,000
(j)	Amount payable from the Employment Training Fund (Item 5100-001-514)	−72,720,000
(k)	Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-588) ...	−120,307,000
(*l*)	Amount payable from the School Employees Fund (Item 5100-001-908)	−596,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.
2. The Employment Development Department (EDD) shall submit on October 1, 1993, and April 20, 1994, 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 EDD 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 of this act.

Item	Amount

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. The Health Career Opportunities Program training shall be limited to (1) preparation for existing health care occupations including occupations that provide health care access to minorities (such as, community outreach workers, interpretative services, and community health care workers), and (2) upgrade training of minority health care workers. All Health Career Opportunities Program training is limited to participants who are eligible for services under the Job Training Partnership Act of 1982 or the Greater Avenues for Independence (GAIN) Act of 1985 or both.
5. Services Delivery Areas that bid on the Health Career Opportunities Program must show coordination with local county public health departments, local hospitals and health care facilities, the local EDD offices and EDD's Labor Market Information Division, the Office of Statewide Health Planning and Development, local education agencies, primary care clinics, and other appropriate entities.
6. EDD shall develop a state plan to reduce the negative impact on the areas proposed in the base closure list of the United States Department of Defense. This plan shall include: (1) identification of the areas proposed for base closure, (2) the number of jobs directly and indirectly affected if the base closure plans are implemented, (3) estimates on the fiscal impact to the local economy, (4) proposals on ways EDD can respond to the employment needs of the respective areas including plans and activities other states have either proposed or implemented, (5) identification of the various resources that can be integrated into EDD's plan, (6) a timetable that may be used to implement the plan, and (7) a list of recommendations. A preliminary summary of the plan shall be submitted to the Joint Legislative Budget Committee, the fiscal committees or the Legislature,

Item	Amount
and the respective policy committees of the Legislature that deal with employment issues by November 1, 1993, with a proposed completion date of the complete plan.	
5100-001-908—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the School Employees Fund	596,000
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.	
5100-011-185—For support of Employment Development Department payable from Employment Development Contingent Fund. 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, 1994, which is in excess of the $1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.	
5100-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund.....	(513,665,000)
5100-021-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(59,168,000)
5100-101-588—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund.....	2,180,637,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section	

Item		Amount
	11006 of the Government Code, for the purposes of this item.	
	2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 3012 of the Unemployment Insurance Code.	
	3. The 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 Employment Development Department 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 approved estimate of the Department of Finance. Revisions reported pursuant to this provision are not subject to the provisions of Section 28.00 of this act.	
5100-101-869—For local assistance under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund		222,299,000
Schedule:		
(a) 60.60-Displaced Workers Program.	12,467,000	
(b) 60.70-Adult and Youth Training Programs	141,251,000	
(c) 60.80-Summer Youth Programs	68,581,000	
5100-101-871—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Federal Unemployment Fund		4,446,626,000

Item			Amount
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			(222,299,000)
5100-101-908—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the School Employees Fund			92,538,000
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 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, for transfer to the Federal Unemployment Fund (871)			(4,446,626,000)
5100-301-588—For capital outlay, Employment Development Department, payable from the Unemployment Compensation Disability Fund			272,026
Schedule:			
(0.5)	80.03.001—Eureka Office: Renovation and Asbestos Abatement—Preliminary Plans and Working Drawings	24,000	
(1)	80.54.001—Merced Office: Renovation and Asbestos Abatement —Preliminary Plans and Working Drawings and Construction	14,026	
(2)	80.98.001—Riverside new Disability Insurance Office—Preliminary Plans and Working Drawings	234,000	

Item		Amount
5100-301-690—For capital outlay, Employment Development Department, payable from the Employment Development Department Building Fund ..		2,081,377
Schedule:		
(1) 80.33.001—Richmond Office: Renovation and Asbestos Abatement—Preliminary Plans, Working Drawings, and Construction	856,800	
(2) 80.54.001—Merced Office: Renovation and Asbestos Abatement—Preliminary Plans, Working Drawings, and Construction	311,849	
(3) 80.57.001—Fresno Office: Renovation and Asbestos Abatement—Construction	634,000	
(4) 80.93.001—Pasadena Office: Renovation and Asbestos Abatement—Preliminary Plans, Working Drawings, and Construction	275,728	
(5) 80.98.001—Riverside New Disability Insurance Office—Preliminary Plans and Working Drawings	3,000	
5100-301-870—For capital outlay, Employment Development Department, payable from the Unemployment Administration Fund—Federal.....		5,480,597
Schedule:		
(0.5) 80.03.001-Eureka Office: Renovation and Asbestos Abatement—Preliminary Plans and Working Drawings.....	137,000	
(1) 80.33.001-Richmond Office: Renovation and Asbestos Abatement —Preliminary Plans, Working Drawings, and Construction	1,286,200	
(2) 80.54.001-Merced Office: Renovation and Asbestos Abatement —Preliminary Plans, Working Drawings, and Construction	1,029,125	
(3) 80.57.001-Fresno Office: Renovation and Asbestos Abatement —Construction.....	502,000	
(4) 80.78.001-Inglewood Office: Renovation and Asbestos Abatement—Construction.....	1,161,000	

Item		Amount
(5)	80.93.001-Pasadena Office: Renovation and Asbestos Abatement —Preliminary Plans, Working Drawings, and Construction	1,343,272
(6)	80.98.001-Riverside new DI Office—Preliminary Plans and Working Drawings	22,000

Provisions:

0.5. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Employment Development Department, may enter into lease-purchase agreements or leases with an option to purchase, with an initial option purchase price in excess of $2,000,000, to provide an adequate warehouse facility in Sacramento and a computer equipment/mass mailing facility in Sacramento.

1. Notwithstanding any other provision of law, the following amounts in the Architectural Revolving Fund, as authorized in the following citations, may be expended by the Employment Development Department for construction costs associated with the Inglewood Renovation and Asbestos Abatement project authorized by this item:

ax.	Item 5100-301-870, Budget Act of 1986, for capital outlay, Employment Development Department, 80.37.020-Minor Projects	69,549
ay.	Item 5100-301-870, Budget Act of 1987, for capital outlay, Employment Development Department, 80.37.020-Minor Projects	355,264
b.	Item 5100-301-870, Budget Act of 1988, for capital outlay, Employment Development Department, 80.37.020-Minor Projects	190,663
c.	Item 5100-301-870, Budget Act of 1989, for capital outlay, Employment Development Department, 80.37.020-Minor Projects	41,000

Item	Amount
5100-301-890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal	(5,480,597)
Schedule:	
(0.5) 80.03.001-Eureka Office: Renovation and Asbestos Abatement—Preliminary Plans and Working Drawings	(137,000)
(1) 80.33.001-Richmond Office: Renovation and Asbestos Abatement—Preliminary Plans, Working Drawings, and Construction	(1,286,200)
(2) 80.54.001-Merced Office: Renovation and Asbestos Abatement—Preliminary Plans, Working Drawings, and Construction	(1,029,125)
(3) 80.57.001-Fresno Office: Renovation and Asbestos Abatement—Construction	(502,000)
(4) 80.78.001-Inglewood Office: Renovation and Asbestos Abatement—Construction	(1,161,000)
(5) 80.93.001-Pasadena Office: Renovation and Asbestos Abatement—Preliminary Plans, Working Drawings, and Construction	(1,343,272)
(6) 80.98.001-Riverside new Disability Insurance Office—Preliminary Plans and Working Drawings	(22,000)
5100-490—Reappropriation, Employment Development Department. As of June 30, 1993, the balance of the appropriation provided in Item 5100-101-869, Budget Act of 1992, is reappropriated for transfer to and in augmentation of Item 5100-101-869, Budget Act of 1993, and shall be available for encumbrance and expenditure through June 30, 1994.	
Provisions:	
1. The Employment Development Department shall notify the Legislature by December 1, 1993, of the actual amount of 1992–93 Federal Job Training Partnership Act local assistance funds carried forward into 1993–94 for expenditure.	

Item — Amount

5100-491—Reappropriation, Employment Development Department. The balances of the appropriations provided in Items 5100-301-870 and 5100-301-890 of Section 2.00 of Chapter 587 of the Statutes of 1992 (Budget Act of 1992) are reappropriated for transfer to Items 5100-301-870 and 5100-301-890 of this act (Budget Act of 1993) for working drawings for the Inglewood project, and shall be available for encumbrance and expenditure through June 30, 1994.

5100-492—Reappropriation, Employment Development Department. As of June 30, 1993, the unexpended balance of the appropriation provided in Item 5100-011-514 of Section 2.00 of Chapter 587 of the Statutes of 1992 (Budget Act of 1992), is reappropriated and shall be available for encumbrance and expenditure on or before June 30, 1994.

Provisions:

1. After full funding of the Absent Parent Demonstration Project, $2,600,000 of the amount reappropriated by this item shall be used, to the extent that funds are available, to fund the "Los Angeles Job Journal Employment Information Network" program established by the Industry Education Council of California.

5100-495—Reversion, Employment Development Department. As of June 30, 1993, 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:

185—Employment Development Department Contingent Fund

(1) Item 5100-301-185(2), Budget Act of 1992, 80.69.001—Fullerton Office: Renovation and Asbestos Abatement—Construction

870—Unemployment Administration Fund—Federal

(1) Item 5100-301-870(1), Budget Act of 1992, 80.69.001—Fullerton Office: Renovation and Asbestos Abatement—Construction

890—Federal Trust Fund

(1) Item 5100-301-890(1), Budget Act of 1992, 80.69.001—Fullerton Office: Renovation and Asbestos Abatement—Construction

Item		Amount
5160-001-001—For support of Department of Rehabilitation		30,655,000
Schedule:		
(a) 10-Vocational Rehabilitation Services	240,480,000	
(b) 20-Habilitation Services	2,453,000	
(c) 30-Support of Community Facilities	6,742,000	
(d) 40.01-Administration	16,961,000	
(e) 40.02-Distributed Administration	−16,961,000	
(f) Reimbursements	−7,630,000	
(g) Amount payable from the Federal Trust Fund (Item 5160-001-890)	−211,390,000	

Provisions:

1. In order to participate in the County Mental Health Cooperative Programs, 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. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition program.
3. It is the intent of the Legislature that the Department of Rehabilitation pursue all available federal funds to maximize services affected by any reduced General Fund appropriations.
4. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Item 4300-101-001 to provide for the net transfer of clients between the Department of Developmental Services and the Department of Rehabilitation for the following:
   (a) The conversion of regional center day programs to a work activity or supported employment programs.

Item			Amount
(b) The transfer between day program and VR/WAP or VR/SEP.			
(c) Clients originating from (b) above who transfer to a work activity or supported employment program upon closure from VR.			
The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.			
5. The Department of Rehabilitation shall report to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, by October 1, 1993, on the programmatic and fiscal impacts of the rate reduction implemented in the 1992–93 fiscal year for (1) the Vocational Rehabilitation/Work Activity Program (VR/WAP), (2) the Vocational Rehabilitation/Supported Employment Program (VR/SEP), and (3) the Habilitation Services WAP and SEP. Additionally, it is the intent of the Legislature that current and future rate reductions for the Habilitation Services WAP and SEP shall not affect current and future rates in the VR/WAP and VR/SEP, unless specifically required by statute or after consultation with and direction from the Joint Legislative Budget Committee and the fiscal committees of the Legislature.			
6. The Department of Rehabilitation shall reduce state administration by 10 percent of their General Fund for state administrative operations. The reduction made pursuant to this provision shall not affect the level of service.			
5160-001-890—For support of Department of Rehabilitation, for payment to Item 5160-001-001, payable from the Federal Trust Fund			211,390,000
5160-101-001—For local assistance, Department of Rehabilitation			73,364,000
Schedule:			
(a) 10-Vocational Rehabilitation Services		487,000	
(b) 20-Habilitation Services		67,740,000	
(1) 20.10 Work Activity Program	48,432,000		
(2) 20.30 Counselor-Teacher and Reader Services	98,000		

Item		Amount
(3) 20.40 Supported Employment Services	19,210,000	
(c) 30-Support of Community Facilities		5,137,000

Provisions:

1. 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.
2. For the purposes of determining eligibility for state incentive funds provided pursuant to Section 19806 of the Welfare and Institutions Code, the department shall establish the "base year" for the three independent living centers designated in Contra Costa, Nevada, and Santa Cruz Counties by determining the actual amount raised from private resources during the fiscal year for the first, state-funded grant given by the department to these independent living centers.
3. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Item 4300-101-001 to provide for the net transfer of clients between the Department of Developmental Services and the Department of Rehabilitation for the following:
   (a) The conversion of regional center day programs to work activity or supported employment programs.
   (b) The transfer between day programs and VR/WAP or VR/SEP.
   (c) Clients originating from (b) above who transfer to a work activity or supported employment program upon closure from VR.

   The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.
4. The Department of Rehabilitation shall reduce net General Fund expenditures in the Habilitation Services WAP and SEP by $2,000,000 in the

Item		Amount
1993–94 fiscal year. The department may achieve this reduction by either or both of the following procedures: (1) extending the amount of time developmentally disabled clients are served by the VR/SEP before being transferred to the Habilitation Services SEP; or (2) increasing the number of developmentally disabled clients served by the VR/WAP. The department shall not achieve this reduction by implementation of any rate reductions.		
5180-001-001—For support of Department of Social Services		74,372,000
Schedule:		
(a) 10-Welfare Program Operations...	76,726,000	
(b) 20-Social Services Programs.....	50,002,000	
(c) 30-Community Care Licensing	60,290,000	
(d) 40-Disability Evaluation Program...	142,398,000	
(f) 60.01-Administration.....	37,562,000	
(g) 60.02-Distributed Administration .	—30,285,000	
(h) Reimbursements.....	—16,122,000	
(i) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-131).....	—1,503,000	
(j) Amount payable from the Federal Trust Fund (Item 5180-001-890).....	—244,503,000	
(k) Amount payable from State Legalization Impact Assistance Grant funds pursuant to an allocation from Section 23.50 of this act	—193,000	
Provisions:		
1. The Department of Finance may authorize the transfer of General Fund moneys from Schedule (c) of this item to Item 5180-161-001, Program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.		
3. The Department of Finance may authorize the transfer of General Fund moneys from Schedule (b) of this item to Schedule (e) of Item 5180-151-001, Adoptions, in order to allow counties to perform the adoption programs function.		
4. Notwithstanding any other provisions of law, of the funds appropriated in this item, an amount not to exceed $457,028 is available to the coun-		

Item		Amount

ties as a loan in the 1993–94 fiscal year, for the non-federal share of the operations and maintenance costs of the Statewide Automated Child Support System not eligible for enhanced federal funding. This loan does not constitute a shift in financial responsibility for any portion of the Child Support Enforcement program as defined by Chapter 4.1 (commencing with Section 10815) of Part 2, and Chapter 9 (commencing with Section 15200) of Part 3, of Division 9 of the Welfare and Institutions Code. Loan repayment may begin at such time as agreed upon between the state and each individual county, but in any case no later than October 1, 1995, and shall be repaid as a deduction from respective counties' incentive payments for a period not to exceed 24 months. If the loan is repaid within the 24 months, the state shall forgive 29.4 percent of the funds loaned.

5. The Department of Finance may authorize the transfer of funds from Item 5180-141-001 to this item for implementation of the Statewide Automated Welfare System (SAWS) subject to the approval of a Feasibility Study Report (FSR). If the Department of Finance determines that the funds available for transfer are insufficient for the costs reflected in the FSR, the Department of Finance is authorized to approve expenditures from this item in those amounts consistent with the approved FSR for the 1993–94 fiscal year. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department 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.
6. The 10-percent state operations reduction in this item, which totals $6,193,000, shall not be applied to the Community Care Licensing Division.
7. Of the amount appropriated in Schedule (a), $151,000 shall be expended only upon requests for assistance by counties after notification pursuant to the procedure identified in subdivision (c) of Section 28.00.

Item	Amount
8. The Department of Social Services shall report to the fiscal committees in each house of the Legislature the amount of additional federal funds that are secured by May 1, 1994, directly through the efforts of the four new authorized positions in the Fiscal Policy and Procedures Bureau, as compared to the amount of funding previously expended for contractual services to obtain additional federal funds.	
5180-001-131—For support of Department of Social Services, for payment to Item 5180-001-001, for claims payments and the operation and maintenance of the Foster Family Home and Small Family Home Insurance Fund	1,503,000
Provisions:	
1. The Department of Finance is authorized to approve expenditures from the unexpended balance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund during the 1993–94 fiscal year, in those amounts made necessary by increases in either the payment of claims or the costs of operating and maintaining the Foster Family Home and Small Family Home Insurance Fund, which are within or in excess of amounts appropriated in this act for that year.	
If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for the 1993–94 fiscal year, the department shall so report to the Legislature. At such time as the report is made, the amount of the limitation for the 1993–94 fiscal year shall be increased by the amount of such excess from the unexpended balance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund.	
5180-001-271—For support of Department of Social Services, payable from the Residential Care Facility for the Elderly Fund	191,000
5180-001-890—For support of Department of Social Services, for payment to Item 5180-001-001, payable from the Federal Trust Fund	244,503,000
Provisions:	
1. The Department of Finance may authorize the transfer of federal funds from this item to Items 5180-161-890 and 5180-151-890, in order to allow	

Item Amount

counties to perform the facilities evaluation function in Community Care Licensing and the adoptions program functions in the Department of Social Services, respectively.

5180-011-001—For support of Department of Social Services, for transfer to the Foster Family Home and Small Family Home Insurance Fund 1,019,000

Provisions:

1. Provision 1 of Item 5180-001-131 is also applicable to this item.

5180-011-890—For support of Department of Social Services, for transfer to the Foster Family Home and Small Family Home Insurance Fund 484,000

Provisions:

1. Provision 1 of Item 5180-001-131 is also applicable to this item.

5180-101-001—For local assistance, Department of Social Services 3,079,055,000

Schedule:

(a) 10.04.005-Aid to Families with Dependent Children 6,085,012,000
(b) 10.04.010-Child Support Incentives 107,173,000
(c) 10.04.015-Aid for Adoption of Children/Adoption Assistance Program 92,184,000
(d) 10.04.020-Transitional Child Care.. 10,410,000
(e) Amount payable from the Federal Trust Fund (Item 5180-101-890) ..... −3,212,873,000
(f) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50 of this act) ..... −2,851,000

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 Department of Finance shall consider the amount of the proposed

Item	Amount

increase on an annualized basis, the effect such change would have on the expenditure limitations for such program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

Notwithstanding the provisions of Sections 27.00 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 Department 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, 1993, 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.

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

Item	Amount

Children program shall fully cover the state share of aid payments and for services under such programs for the 1993–94 fiscal year.

3. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $250,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs of a program(s) 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 of costs for the program(s) becomes available.
4. The Department 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 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 1993–94 fiscal year which are within or in excess of amounts appropriated in this act for that year.

   If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department 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. Pursuant to subdivision (b) of Section 903.7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the 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.
6. The Department of Finance may authorize the transfer of amounts, cumulatively not to exceed $25,182,000, from this item to Item 5180-151-001(a)(1), Social Services Program—Child Wel-

Item Amount

fare Services, in order to advance funds to participating counties to conduct a program of family reunification and family maintenance services pursuant to Chapter 105 of the Statutes of 1988, Chapter 1117 of the Statutes of 1990 and Chapter 868 of the Statutes of 1991.

7. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-001 in order to fund the cost of the administrative hearing process associated with changes in aid payments in the Aid to Families with Dependent Children program.
8. Notwithstanding any other provision of law, and pursuant to plans approved by the Department of Finance, the Department of Social Services shall reduce Child Support Enforcement Incentive payments in Program 10.04.010 in order to recoup loan amounts made to the counties pursuant to Provision 5 of Item 5180-001-001 of the Budget Act of 1993.
9. In the amounts appropriated for basic caseload in the Aid to Families with Dependent Children program, the Legislature shall take into account the May 1993 Revision estimate released by the Department of Finance.

5180-101-890—For local assistance, Department of Social Services, for payment to Item 5180-101-001, payable from the Federal Trust Fund 3,212,873,000

Provisions:

1. Provisions 1 to 4, inclusive, of Item 5180-101-001 are also applicable to this item.
2. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-890 in order to fund the cost of the administrative hearing process associated with changes in aid payments in the Aid to Families with Dependent Children program.

5180-111-001—For local assistance, Department of Social Services 2,076,617,000

Schedule:

(a) 10.08-SSI/SSP 2,128,356,000
(c) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50 of this act) .....—51,739,000

Item Amount

Provisions:

1. Provision 1 and Provision 4 of Item 5180-101-001 are 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 22,446,000

5180-141-001—For local assistance, Department of Social Services 383,098,000

Schedule:

(a) 10.20-County Administration... 1,306,137,000

(b) Amount payable from the Federal-Trust Fund (Item 5180-141-890).. —919,232,000

(c) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50) ..... —3,807,000

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 Department of Finance may authorize the transfer of funds from Items 5180-141-001 and 5180-141-890, to Items 5180-001-001 and 5180-001-890 for this purpose.
2. During the 1993–94 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.

   Except as provided for in Provision 5 of this item, the total amount of state funds available to the counties for administration of the programs specified in Program 10.20, County Administration, shall be limited to the amount appropriated for that program.
3. Notwithstanding any other provisions of law, the Department of Social Services may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the

Item Amount

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 and upon a finding by the Department of Social Services that the development or modification of county-automated welfare operations is consistent with development and implementation of the Statewide Automated Welfare System.

4. Provision 1 of Item 5180-101-001 is also applicable to this item.
5. Pursuant to public assistance caseload estimates reflected in the annual Governor's Budget, the Department of Finance may approve expenditures in those amounts made necessary by changes in caseload which are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.
6. The Department of Finance is authorized to transfer funds from the projected savings available in this item to Item 5180-001-001 to implement the Statewide Automated Welfare System (SAWS) subsequent to the approval of a Feasibility Study Report. In the event that savings available in this item are insufficient to fund the estimate of increased local assistance costs for SAWS, the Department of Finance is authorized to approve expenditures in amounts in excess of the appropriations in this item that are necessary to implement SAWS. Any such increase in expenditure authority shall occur subsequent to the approval of a Feasibility Study Report. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for Program 10, County Administration, the department shall so report to the Legislature. At such time as the report is

Item		Amount
	made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.	
	7. During the 1993–94 fiscal year, the Department of Social Services may pay county claims for the 1992–93 fiscal year for the purposes specified in Schedule (a) from the funds appropriated by that schedule.	
	8. The Department of Finance may augment the amounts appropriated in this item to make allocations to fund county plans that are approved by the State Department of Social Services under Section 15200.6 of the Welfare and Institutions Code.	
5180-141-890—For local assistance, Department of Social Services, for payment to Item 5180-141-001, payable from the Federal Trust Fund		919,232,000
Provisions:		
	1. Provisions 1–6, inclusive, of Item 5180-141-001 are also applicable to this item.	
5180-151-001—For local assistance, Department of Social Services		564,356,000
Schedule:		
(a) 20.01-In-Home-Supportive Services	748,838,000	
(1) 20.01.010-Services	654,313,000	
(2) 20.01.015-Administration	94,525,000	
(b) 20.05-Employment Services	287,712,000	
(c) 20.10-Child Care	116,202,000	
(d) 20.43-Child Welfare Services	503,013,000	
(e) 20.44-Adoptions	31,937,000	
(f) 20.47-Child Abuse Prevention	12,035,000	
(g) 20.50-Special Programs	62,936,000	
(1) 20.50.001-Specialized Services	469,000	
(2) 20.50.005-Access Assistance for the Deaf	3,304,000	
(3) 20.50.010-Maternity Care	2,010,000	
(4) 20.50.015-Refugee Assistance Services	36,557,000	
(5) 20.50.020-County Services Block Grant	20,596,000	
(h) Reimbursements	−365,574,000	

Item Amount

(i) Amount payable from the Federal Trust Fund (Item 5180-151-890) ..-832,743,000

Provisions:

1. The amounts contained in this schedule are for Social Services Programs, for the cost of special social services 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) of Part 4 of 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 (commencing with Section 18950) of 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. 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 functions in the event the counties fail to perform those functions.
4. Notwithstanding Chapter 1 (commencing with Section 18000) 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 of a program(s) 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 of costs for the program(s) becomes available.
5. During the 1993–94 fiscal year, the Department of Social Services may pay claims for the 1992–93

Item Amount

fiscal year from the amounts appropriated in this item.

6. Of the amounts appropriated in this item, $3,409,000 shall be for the administrative costs of claiming federal funds for services provided by the child development programs of the State Department of Education to recipients of assistance under the Aid to Families with Dependent Children program pursuant to Chapter 1205 of the Statutes of 1991. If the Department of Finance notifies the Controller that an alternative funding source has been identified for these administrative costs, the amounts appropriated for that purpose by this item shall revert to the General Fund on June 30, 1994.

5180-151-890—For local assistance, Department of Social Services, for payment to Item 5180-151-001, payable from the Federal Trust Fund 832,743,000

Provisions:

1. Provision 1 of Item 5180-151-001 and Provision 1 of Item 5180-101-001 are also applicable to this item.
2. The Department 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 those functions.

5180-161-001—For local assistance, Department of Social Services 2,173,000

Schedule:

(a) 30-Community Care Licensing 9,842,000
(b) Amount payable from the Federal Trust Fund (Item 5180-161-890) .. −7,669,000

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 that function.

5180-161-890—For local assistance, Department of Social Services, for payment to Item 5180-161-001, payable from the Federal Trust Fund 7,669,000

Provisions:

1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-

Item Amount

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 that function.

5180-490—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the appropriations provided in the following citations are reappropriated on the effective date of this act 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, 1994:

001—General Fund

(1) $579,000 of the appropriation provided in Item 5180-001-001, Budget Act of 1992, is reappropriated for transfer to and in augmentation of Item 5180-001-001, Budget Act of 1993, Program 10, Welfare Programs Operations, for implementation of the Statewide Automated Child Support System (SACSS).

(2) $3,000,000 of the appropriation provided in Item 5180-151-001, Budget Act of 1992, is reappropriated for transfer to and in augmentation of Item 5180-151-001, Budget Act of 1993, Program 20, Social Services Programs, for subvention to the counties for use as follows: $1,350,000 to expand foster parent training; $350,000 to provide specialized training for foster parents of children with special care needs; and $1,300,000 to match federal funds for the Independent Living Program.

890—Federal Trust Fund

(1) $1,989,000 of the appropriation provided in Item 5180-001-890, Budget Act of 1992, is reappropriated for transfer to and in augmentation of Item 5180-001-890, Budget Act of 1993, Program 10, Welfare Programs Operations, for implementation of the Statewide Automated Child Support System (SACSS).

(2) Up to $11,389,000 of the appropriation provided in Item 5180-001-890, Budget Act of 1992, is reappropriated for transfer to and in augmentation of Item 5180-001-890 of this act (Budget Act of 1993), Program 40, Disability Evaluation Program, for automation of the processing of disability applications for the SSI/SSP Program and other federal social se-

Item Amount

curity benefits where a determination of disability is required.

5180-495—Reversion, Department of Social Services. Notwithstanding any other provision of law, as of August 31, 1993, the unencumbered balance of the appropriations in Item 5180-141-001 and Item 5180-151-001 of the Budget Act of 1992, shall revert to the General Fund.

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of the Department of Corrections 2,493,072,000

Schedule:

(a) 21-Institution Program 2,321,665,000
(b) 31-Community Correctional Program 300,011,000
(c) 41.01-Administration 127,751,000
(d) 41.02-Distributed Administration ..... −127,751,000
(dd) Unallocated Reduction ..... −9,000,000
(e) Reimbursements ..... −27,446,000
(f) Amount payable from the 1986 Prison Construction Fund (Item 5240-001-746) ..... −33,310,000
(g) Amount payable from the 1990 Prison Construction Fund (Item 5240-001-751) ..... −17,950,000
(h) Amount payable from the Federal Trust Fund (Item 5240-001-890) .. −217,000
(i) Amount payable from the Inmate Welfare Fund (Item 5240-001-917) ..... −40,608,000
(j) Amount payable from the Asset Forfeiture, Special Deposit Fund (Item 5240-001-942) ..... −73,000

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.

Item Amount

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 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.
3. No positions for the new prisons and camps proposed for activation in the 1993–94 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.
4. The Department of Corrections shall notify the Joint Legislative Budget Committee and the fiscal committees of the Legislature of any changes in the department's weapons policies within 30 days of the change. Reportable changes include, but are not limited to, changes in weapon sizes or type, conversions of nonarmed posts to armed posts, and any changes in Section 4800 of the department's operations manual.
5. It is the intent of the Legislature that the Department of Corrections shall utilize funds appropriated by this item to maintain, at a minimum, its current level of staff employed in accordance with Sections 12000 to 12005, inclusive, of the Unemployment Insurance Code.
6. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
7. In order to support the Female Offender Substance Abuse Program, the department shall do the following:
   a) Work to secure discretionary federal grants for this project by 12/31/93. The department shall consult with the Department of Alcohol and Drug Programs and the Office of Criminal Justice Planning in this effort.
   b) In the event funding is not secured through the federal grant process by 12/31/93, the

Item		Amount
	department shall provide funding for the last two quarters of the 1993–94 fiscal year (1/1/94 through 6/30/94) at an amount not to exceed $385,000 for the in-prison portion of the project.	
	8. In the implementation of this budget, the department shall make the security and health of the staff, the inmates and the public the highest priority. If cuts are required, the department shall make every effort to avoid cutting line peace officers or health services.	
	9. The Department of Corrections shall provide quarterly reports to the Joint Legislative Budget Committee and the fiscal committees of the Legislature outlining the department's progress in receiving federal reimbursement for the incarceration costs of undocumented felons. The department shall provide the first quarterly report to the Legislature on or before October 1, 1993.	
	10. The Department of Corrections shall continue to seek federal funding for the incarceration of undocumented felons and shall pursue amendments to the Transfer Treaty Program to facilitate deportation of undocumented to their home countries. The department shall work with the Immigration and Naturalization Service to develop interior repatriation policies for criminal deportees.	
5240-001-746—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the 1986 Prison Construction Fund		33,310,000
Provisions:		
	1. Of the amount appropriated in this item, up to $2,500,000 shall be available for the defense of contractor claims arising from the new prison construction program. Any funds unused at the end of the 1993–94 fiscal year shall revert to the 1986 Prison Construction Fund.	
5240-001-751—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the 1990 Prison Construction Fund		17,950,000
5240-001-890—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Federal Trust Fund.....		217,000

Item		Amount
5240-001-917—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Inmate Welfare Fund		40,608,000
5240-001-942—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Asset Forfeiture, Special Deposit Fund		73,000
5240-003-001—For support of the Department of Corrections for rental payments on lease revenue bonds		118,905,000
Schedule:		
(a) Southern Maximum Security Complex	12,236,000	
(b) Mule Creek State Prison	16,117,000	
(c) California State Prison-Kings County at Corcoran	34,446,000	
(d) Pelican Bay State Prison	28,626,000	
(e) Central California Women's Facility	15,364,000	
(f) Calipatria State Prison	14,793,000	
(g) Imperial County-South	3,846,000	
(h) McGee Training Academy	1,020,000	
(i) Insurance	1,145,000	
(j) Reimbursements	−8,688,000	
5240-101-001—For local assistance, Department of Corrections		29,037,000
Schedule:		
(a) 21-Institution Program	9,439,000	
(b) 31-Community Correctional Program	19,598,000	

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,

Item Amount

that expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller.

Provided further, that claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

b. To pay the expenses of returning fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code. Provided, that claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred, that expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for such expenses be credited to the appropriation of the year in which the Controller's receipt is issued.

Provided further, that claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

c. To pay court costs and county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, 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 Controller or the fiscal year in which the warrant is issued by the Controller.

Provided further, that claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

Item		Amount
d. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of $59 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. The Department of Corrections may reimburse a local jurisdiction at a higher daily detention cost rate, if that higher rate is based on a court order against the local government and results in daily operating expenses exceeding $59. 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.		
5240-302-746—For capital outlay, Department of Corrections, payable from the 1986 Prison Construction Fund		29,518,000
Schedule:		
(1) 61.01.001-Statewide: Budget Packages and Advance Planning	300,000	
(2.1) 61.01.712-Statewide: Data Communication Infrastructure—Preliminary plans, working drawings, and construction	1,740,000	
(3) 61.03.202-California Correctional Center, Susanville: Primary and Secondary Electrical Distribution System—Preliminary plans and working drawings	90,000	
(4) 61.04.204-California Correctional Institution, Tehachapi: Primary and Secondary Electrical Distribution System—Preliminary plans, working drawings and construction	637,000	
(5) 61.07.013-California State Prison at Folsom: Backflow Prevention System—Working drawings and construction	944,000	

Item	Amount
(6) 61.07.020-California State Prison at Folsom: Secondary Electrical Distribution System—Preliminary plans and working drawings	136,000
(7) 61.08.020-California Institution for Men, Chino: PCE Contamination Cleanup—Study	789,000
(8) 61.08.021-California Institution for Men, Chino: Abandoned Brine Pond Site Contamination Clean-up—Preliminary plans, working drawings and construction	620,000
(9) 61.08.201-California Institution for Men, Chino: Primary and Secondary Electrical Distribution System—Construction	4,915,000
(10) 61.09.202-California Medical Facility, Vacaville: Primary and Secondary Electrical Distribution System—Study	103,000
(11) 61.10.050-California Mens Colony, San Luis Obispo: Effluent Water Use—Preliminary plans and working drawings.....	144,000
(12) 61.10.200-California Mens Colony, San Luis Obispo: Primary and Secondary Electrical Distribution System—Study	114,000
(13) 61.12.407-California State Prison at San Quentin: Replace 500 Level II Beds and Support Facilities (H-Unit)—Working drawings and construction	9,161,000
(14) 61.12.408-California State Prison at San Quentin: Sewer Renovation—Construction	2,012,000
(15) 61.13.205-California Institution for Women, Frontera: Abandoned Brine Pond Site Contamination Clean-up—Construction ...	946,000
(16) 61.13.206-California Institution for Women, Frontera: Demolish Abandoned Sewer Treatment Plant—Study	150,000

Item		Amount
(16.5) 51.13.507-California Institution for Women, Frontera: Domestic Water Supply System—Construction augmentation	259,000	
(17) 61.14.030-Minor Projects	4,500,000	
(19) 61.16.202-Sierra Correctional Center, Jamestown: Wastewater Treatment Plant—Study, preliminary plans and working drawings	991,000	
(20) 61.16.206-Sierra Correctional Center, Jamestown: Primary and Secondary Electrical Distribution System—Construction	967,000	

Provisions:

1. The funds appropriated in Schedule (1) are to be allocated by the Department of Corrections, upon approval by the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawings funds, or working drawings and construction funds are expected to be included in the 1994–95 or 1995–96 Governor's Budget, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 1994–95 and 1995–96 Governor's Budgets, respectively. These funds may be used for all of the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for that purpose 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.

5240-303-746—For capital outlay, Department of Corrections, payable from the 1986 Prison Construction Fund 13,230,000

Schedule:

(1) 61.03.700-California Correctional Center, Susanville: Electrified Fencing—Working drawings and construction	908,746	
(2) 61.04.700-California Correctional Institution, Level III, Tehachapi: Electrified Fencing—Working drawings and construction	980,744	

Item		Amount
(3)	61.04.701-California Correctional Institution, Maximum A & B, Tehachapi: Electrified Fencing—Working drawings and construction	2,004,709
(4)	61.07.700-California State Prison, New Folsom: Electrified Fencing—Working drawings and construction	1,725,597
(5)	61.08.700-California Institution for Men, Chino: Electrified Fencing—Working drawings and construction	1,027,929
(6)	61.09.700-California State Prison, Solano: Electrified Fencing—Working drawings and construction	1,619,876
(7)	61.11.700-Richard J. Donovan Correctional Facility at Rock Mountain: Electrified Fencing—Preliminary plans, working drawings and construction	1,813,163
(8)	61.17.700-Avenal State Prison: Electrified Fencing—Working drawings and construction	1,563,625
(9)	61.22.700-Chuckawalla Valley State Prison: Electrified Fencing—Working drawings and construction	1,585,611

Provisions:

1. For purposes of eliminating expenses associated with staffing of perimeter guard towers, except for sallyport control towers, at correctional institutions, it is the intent of the Legislature that the amounts appropriated by this item shall be used for planning, design, and construction of electrified high voltage perimeter security fence systems and associated modifications at institutions that house medium and maximum security male and female inmates.
2. Appropriations for new prison projects in design or construction may be used for purposes of this item to the extent they are available. To the extent that funds appropriated to each project are inadequate, the funds may be used from this item for purposes as set forth in this item.

Item Amount

3. If the Department of Corrections determines that construction of the electrified high voltage perimeter security fence systems at any institution is unfeasible, the department shall report this to the budget committees of the Assembly and the Senate and to the Joint Legislative Committee on Prison Construction and Operations.
4. The Department of Corrections shall not encumber construction funding provided in Schedules (1)–(9), inclusive, of this item until the electrical fencing project at Calipatria State Prison has been activated and the guard tower positions have been deactivated.

5240-490—Reappropriation, Department of Corrections. 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:

723—New Prison Construction Fund

(1) Item 5240-301-723(2), Budget Act of 1992, 61.07.013-California State Prison at Folsom: Backflow Prevention System—Preliminary plans.

(2) Item 5240-301-723(5), Budget Act of 1992, 61.16.206-Sierra Correctional Center, Jamestown: Primary/Secondary Electrical Distribution System—Preliminary plans and working drawings.

5240-491—Reappropriation, Department of Corrections. 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:

747—1988 Prison Construction Fund

(1) Subdivision (a) of Section 7 of Chapter 165 of the Statutes of 1987, 61.21.013-California State Prison-Los Angeles County: 2,000 bed prison with a 200 bed service facility—Acquisition, site studies and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment items, as reappropriated by Section 16304.2 of the Government Code.

Item Amount

(2) Paragraph (2) of subdivision (c) of Section 3 of Chapter 1479 of the Statutes of 1988, 61.21.014-California State Prison-Los Angeles County: 2,000 bed prison with a 200 bed service facility—Acquisition, site studies and suitability reports, environmental impact reports, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment items, as reappropriated by Section 16304.2 of the Government Code.

751—1990 Prison Construction Fund

(1) Paragraph (1) of subdivision (c) of Section 7 of Chapter 981 of the Statutes of 1992, 61.33.001-California State Prison-Lassen County (Susanville II): 1,900 bed medium, maximum or combination prison facility, together with a 100 bed reception center and 200 bed Level I support services facility—Site studies and suitability reports, site acquisition, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items.

(2) Subdivision (b) of Section 7 of Chapter 981 of the Statutes of 1990, 61.34.001-California State Prison-Riverside County: 2,000 bed Level III prison with a 400 bed support services facility—Site studies and suitability reports, site acquisition, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items.

(3) Paragraph (1) of subdivision (d) of Section 7 of Chapter 981 of the Statutes of 1990, 61.32.001-California State Prison-Madera County: 2,000 bed women's facility—Site studies and suitability reports, site acquisition, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items.

5240-495—Reversion, Department of Corrections. Notwithstanding any other provision of law, the unencumbered balances of the following appropriations shall revert to the unappropriated surplus of the 1990 Prison Construction Fund:

Item		Amount
751—1990 Prison Construction Fund		
(1) Subdivision (e) of Section 7 of Chapter 981 of the Statutes of 1990, 61.01.017.901-Bautista Conservation Camp in Riverside County: For the purpose of replacement, as necessary, of modulars used for support services and housing.		
(2) Subdivision (a) of Section 7 of Chapter 981 of the Statutes of 1990, 61.01.017.902-Camp Expansion: 1,000 bed Level I work-based camp facility—Site Acquisition, site studies, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items.		
5430-001-001—For support of the Board of Corrections		391,000
Schedule:		
(a) 11-Corrections Standards and Services	2,163,000	
(b) 21-Standards and Training for Local Officers	2,126,000	
(c) Program 31.01-Administration	241,000	
(d) Program 31.02-Distributed Administration	−241,000	
(e) Reimbursements	−112,000	
(f) Amount payable from the Corrections Training Fund (Item 5430-001-170)	−2,014,000	
(g) Amount payable from the 1986 County Correctional Facility Capital Expenditure Fund (Item 5430-001-711)	−881,000	
(h) Amount payable from the 1990 Prison Construction Fund (Item 5430-001-751)	−70,000	
(i) Amount payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Fund (Item 5430-001-796)	−821,000	
5430-001-170—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from Corrections Training Fund		2,014,000
5430-001-711—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the 1986 County Correctional Facility Capital Expenditure Fund		881,000

Item		Amount
5430-001-751—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the 1990 Prison Construction Fund		70,000
5430-001-796—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Fund		821,000
5430-101-170—For local assistance, Board of Corrections, Program 21—Standards and Training for Local Officers, payable from the Corrections Training Fund		10,063,000
5440-001-001—For support of the Board of Prison Terms, Program 10		3,363,000
Provisions:		
1. The Board of Prison Terms, under the board's Foreign Prisoner Transfer Program, shall devise a method of notifying each undocumented felon in the prisons and reception centers operated by the Department of Corrections that he or she may be eligible to apply to be returned to his or her country of origin, as provided for in federal treaties. The Board of Prison Terms shall actively encourage each eligible undocumented felon to apply to be returned to his or her country of origin, as provided for in federal treaties. The Board of Prison Terms shall provide quarterly reports to the chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of the Legislature outlining the board's efforts under this provision.		
5450-001-001—For support of the Youthful Offender Parole Board		2,859,000
Schedule:		
(a) 10-Youthful Offender Parole Board	2,977,000	
(b) Reimbursements	−118,000	
5460-001-001—For support of the Department of the Youth Authority		282,188,000
Schedule:		
(a) 20-Institutions and Camps	267,690,000	
(b) 30-Parole Services	38,545,000	
(c) 50.01-Administration	14,865,000	
(d) 50.02-Distributed Administration	−14,573,000	
(e) Reimbursements	−18,428,000	
(f) Amount payable from the 1986 Prison Construction Fund (Item 5460-001-746)	−3,610,000	

Item		Amount
(g)	Amount payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Bond Fund (Item 5460-001-796)	−338,000
(h)	Amount payable from the State Lottery Education Fund (Item 5460-001-831)	−486,000
(i)	Amount payable from the Federal Trust Fund (Item 5460–001–890).	−1,477,000

Provisions:

1. Of the amount appropriated in Schedule (b), $31,000 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 1986A.
2. Notwithstanding any other provision of law, $250,000 of the amounts appropriated in this item shall be used to fund the inspection of local juvenile detention facilities.
3. Of the amounts appropriated in this item, $160,000 shall be used to contract with a private provider to identify alternative placement plans for up to 50 wards who would otherwise be committed to the Department of the Youth Authority.
4. The Department of the Youth Authority shall make every effort to maximize all available funding for educational services. These efforts should include seeking legislation to make additional state, federal, and private funds available. The department shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee not later than January 1, 1994, regarding these efforts.
5. The Department of the Youth Authority shall work to establish closer relationships with county probation departments with regard to placement options for juvenile offenders. The department shall identify options that will result in continued operation of county juvenile probation camps and ranches. The department shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee not later than January 1, 1994, regarding these efforts.

Item	Amount
5460-001-746—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the 1986 Prison Construction Fund	3,610,000
5460-001-796—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Bond Fund	338,000
5460-001-831—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the California State Lottery Education Fund—California Youth Authority	486,000

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to the Department of the Youth Authority pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. Such additional funds may be expended only upon written approval of the Department of Finance.

5460-001-890—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the Federal Trust Fund	1,477,000
5460-011-001—For support of the Department of the Youth Authority (Proposition 98), Program 20—Institutions and Camps	33,755,000
5460-101-001—For local assistance, Department of the Youth Authority	36,119,000

Schedule:

(a) 20-Institutions and Camps	33,092,000
(b) 30-Parole Services	3,027,000

Provisions:

1. The amount appropriated by this item is provided for the following purposes:
   a. 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 Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after

Item		Amount

the end of the month in which the costs are incurred.

b. To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of Youth Authority parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

c. Of the funds appropriated in this item, $33,000,000 shall be used to provide support for the operation of county juvenile camps and ranches pursuant to the provisions of Assembly Bill 799 of the 1993–94 Regular Session.

5460-301-746—For capital outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund		9,810,000
Schedule:		
(1) 60.01.035-Statewide: Budget Packages and Advanced Planning	250,000	
(2) 60.54.045-Fred C. Nelles School: Multipurpose Building—Construction	1,649,000	
(3) 60.54.050-Fred C. Nelles School: Maintenance Building—Working drawings and construction	2,625,000	
(4) 60.67.015-Youth Training School: Vocational Auto Body/Paint Shop—Preliminary plans and working drawings	126,000	
(4.5) 60.67.045-Youth Training School: Ventilation System Improvements—Preliminary plans and working drawings	368,000	
(5) 60.67.050-Youth Training School: Replace Living Unit Doors and Panels—Preliminary plans and working drawings	292,000	
(6) 60.90.010-Minor Projects	4,500,000	

Item		Amount
Provisions:		
1. The funds appropriated in Schedule (1) shall be allocated by the Department of the Youth Authority, upon approval of the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plans funds, working drawing funds, or working drawing or construction funds are expected to be included in the 1994–95 or 1995–96 Governor's Budget, and for which cost estimates and/or preliminary plans can be developed prior to legislative hearings on the 1994–95 or 1995–96 Budget. These funds may be used for the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for these purposes shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it shall appropriate in any future year.		
5460-302-890—For capital outlay, Department of the Youth Authority, payable from the Federal Fund (FEMA)		780,000
Schedule:		
(1) 60.54.065-Fred C. Nelles School: Personnel Building Replacement —Preliminary plans, working drawings, and construction	780,000	
5460-305-746—For capital outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund		400,000
Schedule:		
(2) 60.02.045-Fred C. Nelles School: Renovation of Facilities' Infrastructure—Study	200,000	
(6) 60.54.060-Preston School of Industry: Renovation of Facilities' Infrastructure—Study	200,000	
5770-001-001—For support of the Robert Presley Institute of Corrections Research and Training, Program 10		125,000

Item		Amount
	EDUCATION	
6110-001-001—For support of Department of Education		27,399,000
Schedule:		
(a) 10-Instruction	38,039,000	
(b) 20-Instructional Support	32,754,000	
(c) 30-Special Programs	23,357,000	
(d) 41.00-Executive Management and Special Services	10,542,000	
(e) 42.01-Department Management and Special Services	30,435,000	
(f) 42.02-Distributed Department Management and Special Services	—30,435,000	
(fx) Unallocated reduction	—4,725,000	
(g) Reimbursements	—9,060,000	
(h) Amount payable from Federal Trust Fund (Item 6110-001-890)	—63,508,000	

Provisions:

1. Of the funds appropriated in this item, an amount of not less than $94,000 shall be available only for reimbursement of in-state travel expenses of the State Board of Education.
2. Notwithstanding Sections 33190 and 51219 of the Education Code, or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of student performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer students.
3. Of the amount appropriated in this item, $74,000 shall be expended for staff in the department's Program Evaluation and Research Division to (a) review and approve studies and program evaluations and (b) assist in contract management.
4. Of the funds appropriated in this item, $150,000 is for the purpose of administering the Demonstration of Restructuring in Public Education authorized by Chapter 1556, Statutes of 1990.
5. Of the funds appropriated in this item, $5,000,000 is for the purposes of a pupil testing program.
6. Of the funds appropriated in Schedule (b) of this item, $90,000 shall be available only for Ed-

Item		Amount
	ucational Technology support services pursuant to Section 51874 of the Education Code and for the expenses incurred by members of the Education Council for Technology in Learning in carrying out their duties.	
	7. $50,000 of the funds appropriated in this item are available, under oversight of the Legislative Analyst, for administration of an independent evaluation of education restructuring which addresses, to the extent permitted by available funding, those issues specified in Section 58920 of the Education Code. Up to $1,000 of this amount may be transferred to, and expended by, the Office of the Legislative Analyst, and up to $1,000 may be expended by the State Department of Education to pay for overhead costs associated with supervision of a contract with an evaluator.	
	In addition, the State Department of Education may secure and expend private funding for the expansion of the state-funded evaluation under the condition that these funds shall be subject to oversight by the Legislative Analyst, as specified in Provision 8.	
	8. For the purposes of the school restructuring evaluation, the State Department of Education shall sign a contract with an independent evaluator under the oversight of the Legislative Analyst. The selection of the contractor shall be made pursuant to Section 58921 of the Education Code. The use, encumbrance, and payment of evaluation funds, from all sources, shall be made in strict accordance with the decisions of the Legislative Analyst, or his or her designee. In the review of proposals and in the awarding and review of any contract pursuant to Provision 7 of this item, the provisions of Division 2 (commencing with Section 1100) of the Public Contract Code and associated regulations shall not be applicable, and the provisions of Section 999, and following, of the Military and Veterans Code and associated regulations shall not be applicable. Any contract shall be awarded, however, through a competitive bidding process.	
	9. Notwithstanding any other provision of law, of the funds appropriated in this item, $1,000,000 shall be used to provide technical assistance and	

Item Amount

administrative support to the Healthy Start Program (Art. 1 (commencing with Sec. 8800), Ch. 5, Part 6, Title 1, Ed. C.).

11. Of the funds appropriated in this item, $300,000 and 2 positions shall be available only for planning and implementation of the Focus Schools Program authorized by Chapter 1335 of the Statutes of 1992.

13. No funds appropriated in this item shall be expended for or be available to the State Board of Education if any positions assigned to the Department of Education, other than those positions that were assigned to the State Board of Education for the 1992–93 fiscal year, are administratively transferred or otherwise assigned or redirected to the State Board of Education.

14. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:

(a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the commission.

(b) The service provided under the contract does not result in the displacement of any represented civil service employee.

(c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules

Item	Amount
and regulations of the State Board of Control.	
6110-001-178—For support of the Department of Education, Program 20.30—Instructional Support, for the purpose of conducting schoolbus driver instructor training as provided in Section 40070 of the Education Code, payable from the Driver Training Penalty Assessment Fund.....	943,000
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.....	1,395,000
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 which are related to local school construction, reconstruction, rehabilitation, modernization, maintenance, deferred maintenance, year-round school programs, and schoolsite 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.....	14,285,000
6110-001-890—For support of Department of Education, for payment to Item 6110-001-001, payable from the Federal Trust Fund	63,508,000
Provisions:	
1. The funds appropriated in this item include 1993–94 Federal Vocational Education Act funds to 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, $52,000 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, $382,000 is available for programs for homeless youth and adults pursuant to the federal Stewart B. McKinney Act. The department shall participate on the Health and Welfare Agency Homeless Task	

Item	Amount

Force and shall consult with the Departments of Economic Opportunity, Mental Health, Housing and Community Development, and Economic Development in operating this program.

4. Of the funds appropriated in this item, $364,000 shall be used to provide in-service training for teachers of the severely handicapped. These funds are also to provide four positions for this purpose.
6. Of the funds appropriated in this item, $318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers through Second Language Immersion Institutes.
7. Of the funds appropriated in this item, the State Department of Education (SDE) shall use a minimum of $500,000 to contract for a longitudinal evaluation to assess the effectiveness of local drug and alcohol abuse education and prevention programs. The evaluation shall primarily compare the cost-effectiveness of (1) various programs targeted to high-risk youth with one another, and (2) school-based approaches with more comprehensive, community-based approaches. The evaluation may also evaluate various curricular approaches.

   It is the intent of the Legislature that (1) the evaluation be conducted for a minimum of three years, (2) at least $500,000 in federal funds be appropriated annually for this purpose for the duration of the study, and (3) the study focus primarily on use outcome measures, including data on student use.

   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 and appropriate policy committees, the Legislative Analyst's office, the Department of Finance, the Department of Alcohol and Drug Programs, the Office of Criminal Justice Planning, and other appropriate administrative agencies. The SDE shall obtain the written approval of the Legislative Analyst and the Department of Finance for the request for proposal prior to issuing it.

Item		Amount

The SDE shall submit findings of the evaluation to the Legislature by January 1, 1993.

8. No funds appropriated in this item shall be expended for or be available to the State Board of Education if any positions assigned to the Department of Education, other than those positions that were assigned to the State Board of Education for the 1992–93 fiscal year, are administratively transferred or otherwise assigned or redirected to the State Board of Education.

6110-002-001—For support of Department of Education, for costs of school finance litigation, for transfer to and augmentation of Item 0820-001-001, to the extent authorized by executive order of the Director of Finance 242,000

Provisions:

1. The funds authorized for transfer by this item are exempt from Section 3.90 of this act.
2. The funds authorized for transfer by this item shall be available only for costs incurred by the state in defending school finance litigation, including costs of outside counsel, expert fees, and costs incurred by any state department related to the litigation. These funds shall not be available for expenditure until a date 30 days after the Department of Finance submits an expenditure plan for this purpose to the Joint Legislative Budget Committee.
3. By executive order of the Director of Finance, the appropriation made in this item may be augmented by an amount not to exceed $800,000. The executive order may not be implemented until a date 30 days after notification of the order is provided to the Chairperson of the Joint Legislative Budget Committee.

6110-005-001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools, Program 10.60.040 20,411,000

Schedule:

(a) 10.60.040-Instruction	20,758,000	
(1) 10.60.040.001-School for the Blind, Fremont	3,262,000	
(2) 10.60.040.002-School for the Deaf, Fremont	9,024,000	

Item			Amount
(3) 10.60.040.003-School for the Deaf, Riverside....	8,472,000		
(b) Reimbursements.....		−347,000	

Provisions:

1. Of the amount appropriated in this item, $362,000 shall be available for the assessment centers at the State Special Schools.
2. Of the amount appropriated in this item, $358,000 shall be used for the provision of a four-week extended session in the State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont.
3. Of the amount appropriated in this item, $13,000 is provided for payment of energy service contracts in connection with the issuance of Energy Conservation Efficiency Revenue Bonds.

6110-006-001—For support of Department of Education (Proposition 98), as allocated by the Department of Education to the State Special Schools.... 24,097,000

Schedule:

(a) 10.60.040-Instruction, State Special Schools.....		27,891,000
(1) 10.60.040.001-School for the Blind, Fremont....	3,025,000	
(2) 10.60.040.002-School for the Deaf, Fremont.....	8,646,000	
(3) 10.60.040.003-School for the Deaf, Riverside....	8,076,000	
(4) 10.60.040.004-Diagnostic School for the Neurologically Handicapped, North.....	3,199,000	
(5) 10.60.040.005-Diagnostic School for the Neurologically Handicapped, South	2,964,000	

Item		Amount
(6) 10.60.040.006-Diagnostic School for the Neurologically Handicapped, Central	1,981,000	
(b) Reimbursements		−3,680,000
(c) Amount payable from the Lottery Education Fund (Item 6110-006-814)		−114,000

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 who 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 this item which supports the State Special Schools. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the fiscal year by reporting to the State Controller the information needed to make the adjustment.
2. Of the funds appropriated in this item, $552,000 shall be used for the provision of a four-week extended session in the State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont.

6110-006-814—For support of Department of Education, for payment to Item 6110-006-001, payable from the Lottery Education Fund 114,000

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to the State Special Schools pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.

Item	Amount
6110-008-001—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 Sections 14007 and 41301.5 of the Education Code.	
6110-015-001—For support of Department of Education, Program 20.20.020—Instructional Materials Management and Distribution	338,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1993–94 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—Nutrition Education Projects	593,000
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	557,623,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to K–12 local education agencies pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	

Item Amount

6110-101-890—For local assistance, Department of Education, Federal Block Grant under Chapter 2 of the Elementary and Secondary Education Act, payable from the Federal Trust Fund 41,988,000
Schedule:
(a) 10-Instruction..... 40,470,000
(b) 20-Instructional support..... 1,518,000
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 1993–94 fiscal year on September 1, December 1, February 1, and May 1.

6110-103-001—For local assistance, Department of Education (Proposition 98), Program 10.10.001.005—School Apportionments for transfer to Section A of the State School Fund, for the purposes of Section 8152 of the Education Code..... 8,346,000
Provisions:
1. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds appropriated in this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the apprentice programs operated by school districts and county offices of education.
2. 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 $4.11 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.
3. No school district or county office of education shall use funds allocated from this item to offer any new or expanded apprentice program unless the program has been approved by the Superintendent of Public Instruction.
4. The Superintendent of Public Instruction shall report to the Department of Finance and the Legislature not later than October 1, 1993, on

Item Amount

the amount of funds expended for and the hours of related and supplemental instruction offered in the apprentice program during the 1992–93 fiscal year, with information to be provided by school district, county office of education, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs funded for the Department of Education, school districts, and county offices of education. In addition, the report shall identify the hours of related and supplemental instruction proposed for the 1993–94 and 1994–95 fiscal years by school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship program, K–12 school districts and county offices of education shall report to the Superintendent of Public Instruction the information necessary for the completion of this report.

5. Notwithstanding Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of the Education Code, or any other provision of law, the total number of hours eligible for state reimbursement in apprentice programs operated by K–12 school districts and county offices of education shall be limited to an amount equal to the total appropriation specified in this item divided by the hourly rate specified in Provision 2. The Superintendent of Public Instruction shall have the authority to determine which apprentice programs, and which hours offered in those programs, are eligible for reimbursement.

6110-104-001—For local assistance, Department of Education (Proposition 98), Program 10.10.011—School Apportionments, for transfer to Section A of the State School Fund, for summer school programs pursuant to Section 42239 of the Education Code 128,993,000

Provisions:

1. Notwithstanding paragraph (2) of subdivision (d) of Section 42239 of the Education Code, or any other provision of law, for the 1993–94 fiscal year, a school district's maximum entitlement for pupil attendance in summer school programs offered pursuant to paragraph (2) of subdivision (d) of Section 42239 of the Education

Item	Amount
Code shall be an amount equal to 7 percent of the district's enrollment for the prior year, times 120 hours, times the hourly rate for the 1993–94 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code. 2. As a condition of receiving funds pursuant to Provision 1, the county superintendent of schools shall report to the Superintendent of Public Instruction, on or before November 15, 1993, the number of pupils who attended each class and the number and type of classes conducted. 3. Notwithstanding subdivision (e) of Section 42239 of the Education Code, for the 1993–94 fiscal year, the Superintendent of Public Instruction shall allocate a minimum of $5,974 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 1993–94 fiscal year, offers at least 1,500 hours of supplemental summer school instruction. A small school district, as described above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code. 4. Notwithstanding paragraph (2) of subdivision (d) of Section 42239 of the Education Code, or any other provision of law, the Superintendent of Public Instruction shall reallocate to any school district any unexpended balance of the appropriations made for the 1993–94 fiscal year for reimbursement for actual pupil attendance in summer school programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code. In no event shall any district receive reimbursement for pupil attendance in summer school programs in excess of 10 percent of the district's enrollment for the prior year, multiplied by 120 hours, multiplied by the hourly rate for the 1993–94 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.	

Item	Amount
6110-105-001—For local assistance, Department of Education (Proposition 98), for the School District Reorganization Commission only upon executive order of the Director of Finance	1,000,000
Provisions: 1. Expenditure of the funds appropriated by this item is contingent upon enactment of authorizing legislation during the 1993–94 Regular Session that is operative in the 1993–94 fiscal year, and shall be made available upon executive order of the Director of Finance.	
6110-112-001—For local assistance, Department of Education (Proposition 98), Program 20.60.035—School Restructuring, for purposes of Chapter 9 (commencing with Section 58900) of Part 31 of the Education Code, as added by Chapter 1556, Statutes of 1990	11,613,000
Provisions: 1. The amount provided in this item may be used only to provide full-year funding to those schools which in the 1992–93 fiscal year received half-year funding of five-year demonstration grants authorized by Article 6 (commencing with Section 58924) of Chapter 9 of Part 31 of the Education Code.	
6110-113-001—For local assistance, Department of Education (Proposition 98), for purposes of a pupil testing program	23,504,000
Provisions: 1. Of the funds appropriated in this item, $22,504,000 shall be for the purposes of Article 1 (commencing with Section 60600) and Article 8 (commencing with Section 60700) of Chapter 5 of Part 33 of the Education Code. 2. Of the funds appropriated in this item, $1,000,000 shall be for the purposes of Article 10 (commencing with Section 60730) of Chapter 5 of Part 33 of the Education Code.	
6110-115-001—For local assistance, Department of Education, (Proposition 98) for transfer by executive order of the Director of Finance to the State Controller, for reimbursement of claims received pursuant to Sections 42247 and 42249 of the Education Code, (voluntary desegregation) Program 10.10.019—School Apportionments	2,380,000

Item		Amount
	Schedule:	
	(a) 10.10.019.047—Instruction: School Apportionments-voluntary desegregation-Vista Unified School District	1,190,000
	(b) 10.10.019.087-Instruction: School Apportionments-voluntary desegregation-Vista Unified School District for 1992–93 costs	1,190,000

Provisions:

1. Funds appropriated by this item are for reimbursement of amounts necessary to pay the costs of desegregation programs as defined in Section 42249 of the Education Code, initiated voluntarily by local education agencies and for the costs of audits as required by Provision 2 of this item.
2. Before submittal to the Controller for payment, school districts shall subject their past year actual claims to audit, in accordance with standards utilized by the State Controller in prior years for the audit of past year actual desegregation claims, to ensure that the claims comply with the requirements of Sections 42247, 42247.1, 42248, 42249 and 42249.2 of the Education Code. School districts may contract with the State Controller for the performance of such audits. All past year actual claims submitted to the Controller for payment shall be accompanied by any reports issued by the auditing entity, unless the auditing entity was the State Controller.
3. The Controller shall only reimburse those past year actual claims that conform with the requirements of Provision 2 contained in this item.
4. The State Controller shall allocate funds appropriated in this item in accordance with the provisions of Section 42247 of the Education Code. The State Controller shall reimburse these claims only from funds appropriated specifically for that purpose by the Legislature.
5. The State Controller shall allocate funds appropriated in this item in accordance with the schedule contained herein, unless a revision of that schedule has been approved by the Department of Finance. Of the funds appropriated in Schedule (a), the State Controller shall allocate these funds only for 1993–94 fiscal year expendi-

Item Amount

tures as claimed by local education agencies pursuant to Sections 42247 and 42249 of the Education Code.

6. The Department of Finance may not authorize any revisions to the schedule contained herein 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.
7. Funds appropriated in this item shall not be used to reimburse local education agency claims for facilities lease costs, school construction, reconstruction, replacement of facilities, purchase of existing facilities, purchase of land, or the performance of deferred maintenance activities on facilities.
8. Effective July 1, 1991, and notwithstanding any other provision of law to the contrary, no school district shall be required to comply with Sections 90 to 101, inclusive, of Title 5 of the California Code of Regulations. Any costs incurred after that date in compliance with those regulations shall be deemed incurred voluntarily and shall not be reimbursable as a state-mandated local program. Nothing in this provision shall be interpreted to deny reimbursement of claims for court-ordered or voluntary desegregation pursuant to Sections 42243.6, 42247, and 42249 of the Education Code.
9. Prior to the Vista Unified School District receiving funds from this item, the district shall contract with the State Controller's Office, at the district's expense, to have an audit conducted to ensure that the district has implemented its Voluntary Pupil Integration Program. The Vista Unified School District reimbursement claim, for the 1992–93 year only, shall be paid by the Controller, in the amount determined to be reimbursable, as soon as the audit by the Controller of the estimated claim has been completed and this act becomes effective.

Item		Amount
6110-117-001—For local assistance, State Department of Education, Program 10.70—Vocational Education, in lieu of the amount which would otherwise be appropriated pursuant to subdivision (b) of Section 19632 of the Business and Professions Code...		360,000
6110-128-890—For local assistance, Department of Education, payable from the Federal Trust Fund.....		19,093,000
Schedule:		
(a) 20.10.015.010-Math/Science Program Teacher Training Grants ...	18,793,000	
(b) 20.60.015.000-Middle School Mathematics Renaissance Program	300,000	
6110-129-001—For local assistance, Department of Education, Program 41.00—Community Education-Intergenerational Programs.....		45,000
6110-136-890—For local assistance, Department of Education, payable from the Federal Trust Fund.....		661,835,000
Schedule:		
(a) Program 10.30.060—Chapter I-ECIA	659,944,000	
(b) Program 10.30.065—Stewart B. McKinney Homeless Children Education.....	1,891,000	
6110-141-890—For local assistance, Department of Education, ECIA Chapter I-Migrant Education, payable from the Federal Trust Fund, Program 10.30.010-Instruction.....		107,448,000
6110-152-001—For local assistance, Department of Education, Program 10.30.050.....		366,000
Provisions:		
1. Funds appropriated by this item for Indian Education Centers are to carry out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of the Education Code.		
6110-156-890—For local assistance, Department of Education, Program 10.50.010.001—Adult Education, payable from the Federal Trust Fund		18,402,000
6110-160-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children.....		206,000
Provisions:		
1. Funds appropriated in this item shall be available for matching funds with the Department of Rehabilitation to provide coordinated services to disabled pupils.		

Item	Amount
6110-161-001—For local assistance, Department of Education (Proposition 98), Program 10.60—Special Education Programs for Exceptional Children	66,974,000

Schedule:

(a) 10.60.050-Special Education Instruction..... 66,974,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1993–94 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.
2. Of the amount appropriated in this item, $34,072,000 shall be available for program growth pursuant to Section 56728.6 of the Education Code. The funds allocated pursuant to this provision shall be the only funds available in this item program growth for ages 3 to 21 years, inclusive.

   These funds shall be allocated to fully fund calculated growth units for special education programs serving pupils ages 3 to 21 years, inclusive, excluding pupils ages 3 and 4 years not requiring intensive services, based on each special education local plan area's (SELPA) pupil count data and an average number of pupils per unit of:

   (a) For special day classes and centers—10.
   (b) For resource specialist programs—24.
   (c) For designated instructional services—24.

   For the purposes of allocating special day class and center (SDC) growth units, a revenue limit offset shall be calculated for the unfunded 1992–93 P-2 SDC average daily attendance for those local educational agencies that are scheduled to receive SDC growth units. In no case shall the offset exceed 8 pupils per SDC growth unit. All other SDC growth units shall be allocated using no revenue limit offset.
3. The number of units to be recaptured shall be calculated pursuant to Section 56728.6 of the Ed-

Item Amount

ucation Code. Within each SELPA, to maximize the use of existing units, the units available for recapture shall be shifted to any instructional setting that is eligible for growth pursuant to Provision 2. After maximizing the existing units, growth shall be calculated pursuant to the standards in Provision 2. Waivers of the subcaps (Section 56728.6 of the Education Code) may be approved only if compliance would prevent the provision of a free, appropriate public education.

4. Of the amount specified in Provision 2, $500,000 shall be available only for units approved by waiver for SELPAs with small or sparse populations as identified under Article 1.5 (commencing with Section 56210) of Chapter 3 of Part 30 of the Education Code. Waivers for sparsity may be approved only after previous waivers have been reviewed to determine that those units were utilized in sparsely populated areas of the SELPA, that additional units are necessary for these areas, and that severe hardship would occur without additional units for this purpose.
5. Of the amount appropriated in this item, $482,000 shall be available for infant program growth units (ages birth–2 years). Funds for infant units shall be allocated 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, no more than $5,000 shall be available for the increased costs reimbursable under Section 56775.5 of the Education Code.
7. $125,000 of the funds appropriated in this item shall be 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.
8. $64,000 of the funds appropriated in this item shall be available for the purposes of Public Law 101-392, and for vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter

Item Amount

4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each agency shall 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 the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for agencies that can demonstrate that the requirement would impose a severe hardship.

9. Of the funds appropriated in this item, $44,000 shall be available for regional occupational centers and programs that serve pupils having disabilities, $5,250,000 shall be available for extended year programs, $2,453,000 shall be available for regionalized program specialist services, $248,000 shall be available for county office of education longer day and year programs, and $7,814,000 shall be available for nonpublic school programs.
10. Except for instructional personnel services units serving infants, the county office of education or school district reporting instructional personnel services units for funding shall be the agency that employs the personnel staffing the units, unless the combined unit rate and support services ratio of a nonemploying agency is equal to or lesser than that of the employing agency and both agencies agree that the nonemploying agency shall report the units for funding. This provision also shall apply to the funds that are appropriated in Item 6110-230-001 for the purpose of funding special education programs.
11. The State Department of Education shall apply the funds appropriated in this item as necessary to ensure that the total amount available for special education funding for the 1993–94 fiscal year (including funds appropriated in Item 6110-230-001, local entitlement grants included in Item 6110-161-890, estimated local general fund contributions, special day class revenue limit offsets, and local property tax revenues) is not less than the total amount of special education entitlements for the 1992–93

Item		Amount
	fiscal year as estimated by the Department of Finance in May 1993. Notwithstanding any other provision of law, any funding appropriated for the 1993–94 fiscal year for special education growth shall be applied by the department for the purpose identified in this provision prior to any allocation of that funding for growth.	
	12. Of the funds appropriated in this item, $17,556,000 shall be expended to fund special education entitlements for the 1993–94 fiscal year at the level at which those entitlements were calculated for each recipient for the 1992–93 fiscal year. This expenditure shall not be applied to fund program growth between the 1992–93 fiscal year and the 1993–94 fiscal year.	
	13. The total amount funded statewide for nonpublic school costs in the 1993–94 fiscal year pursuant to Sections 56740 and 56775 of the Education Code shall not exceed the amount provided for those costs in this item and in Item 6110-230-001. If the Superintendent of Public Instruction determines that there are insufficient funds, the superintendent shall prorate the deficiency among all school districts and county offices of education submitting claims.	
6110-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children		233,035,000
Schedule:		
(a) 10.60.030-IDEA, Title VIC, Deaf-Blind Center	872,000	
(b) 10.60.050.010-local entitlements, IDEA special education	165,208,000	
(c) 10.60.050.015-IDEA, local entitlements, Preschool Program	15,568,000	
(d) 10.60.050.020-IDEA, direct and indirect instructional services approved in the State Plan	11,466,000	
(e) 10.60.050.030-PL 99-457, Preschool Grant Program	36,000,000	
(f) 10.60.050.040-IDEA, Title VID, Handicapped Personnel Preparation Grants	657,000	

Item		Amount
(g)	10.60.050.070-IDEA, Title VIC, Least Restrictive Environment...	264,000
(h)	10.60.050.075—Juvenile Court Schools.....	3,000,000

Provisions:

1. If the funds for Part B of the Individuals with Disabilities Education Act that are actually received by the state exceed $205,273,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements. Five percent of the amount received in excess of $205,273,000 may be used for state administrative expenses.

   If the funds for Part B of the Individuals with Disabilities Education Act that are actually received by the state are below $205,273,000, the reduction shall be taken in direct and indirect instructional services.
2. Of the funds appropriated in Schedule (d) of this item, up to $1,000,000 may be used to fund licensed children's institution growth units pursuant to Section 56776 of the Education Code. These funds are to be used for instructional units only.
3. Of the funds appropriated in Schedule (d) of this item, up to $2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56728.8 of the Education Code.
4. Of the funds appropriated in Schedule (d) of this item, $2,425,000 shall be allocated to local education agencies for the purposes of Project Workability I.
5. Of the funds appropriated in Schedule (d) of this item, $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.
6. Of the funds appropriated in Schedule (d) of this item, $3,617,000 shall be used for a personnel development program. This program will include state-sponsored staff development, local in-service components, bilingual, student study team, and core curriculum components. Of this amount, a minimum of $2,500,000 shall be allocated directly to special education local plan ar-

Item Amount

eas. The local in-service programs shall include a parent training component. All programs are to include evaluation components.

7. Of the funds appropriated 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.
8. Of the funds appropriated in Schedule (d) of this item, $200,000 shall be used for research and training in cross-cultural assessments.
9. Of the funds appropriated in Schedule (d) of this item, $200,000 shall be used for pilot programs to regionalize services for pupils with low-incidence disabilities.
10. The funds appropriated in Schedule (h) of this item may be used to augment instructional units for the special education programs in juvenile court schools to cover the required number of days of instruction.
11. No more than $16,684,932 of the federal funds made available under Public Law 94-142 shall be expended for purposes of the special education Preschool Program. The Department of Education shall develop a proposal to ensure that Preschool Program expenditures do not exceed the amount of funding made available in this item, and, no later than January 1, 1994, shall submit to the Joint Legislative Budget Committee a report describing that proposal.

6110-165-001—For local assistance, Department of Education 8,912,000

Schedule:

(a) 10.70—Vocational Education 30,168,000
(b) Reimbursements ..... −21,256,000

Provisions:

1. $25,112,000 of the funds appropriated in this item are for the purpose of the federal Job Training Partnership Act.
2. Notwithstanding any other provision of law, of the funds appropriated in this item, $8,912,000 are available for the purpose of matching Job Training Partnership Act funds available under Section 1602(b)(1) of Title 29 of the United States Code. The Superintendent of Public Instruction shall allocate these funds for provision of remedial education services and for provision

Item	Amount
of occupational skills training services provided in conjunction with remedial education services to GAIN participants pursuant to Section 33117.5 of the Education Code.	
6110-166-890—For local assistance, Department of Education, Program 10.70—Vocational Education, payable from the Federal Trust Fund	107,502,000
Provisions:	
1. The funds appropriated in this item include Federal Vocational Education Act funds for the 1993–94 fiscal year to 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 target funds appropriated by this item to provide services to Greater Avenues for Independence (GAIN) participants.	
3. The Superintendent of Public Instruction shall report, not later than November 15 of each year, to the Joint Legislative Budget Committee, to the Director of Finance, and to the California State Council on Vocational Education, describing the amount of carryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover.	
4. Any local education agency or area vocational education school receiving an allocation of funds appropriated in this item based upon the number of pupils served in the prior fiscal year who had individualized education programs, as established or revised pursuant to Section 1414(a)5 of Title 20 of the United States Code, shall expend these funds for the purpose of providing career-vocational education programs to pupils with individualized education programs.	
6110-176-890—For local assistance, Department of Education, Program 10.40.030—Emergency Immigrant Education and Foreign Language Assistance Programs, payable from the Federal Trust Fund .	15,210,000
6110-181-140—For local assistance, Department of Education, Program 20.10.055-Environmental Education, payable from the California Environmental License Plate Fund.....	800,000

Item — Amount

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 100-297). 41,752,000

Provisions:

1. School districts shall give priority in the expenditure of these funds to establishing, expanding, or improving programs that target students at high-risk of abusing drugs (including alcohol). The Superintendent of Public Instruction shall (1) notify school districts of this policy, and (2) incorporate the policy into the department's quality review procedures.

6110-191-001—For local assistance, Department of Education (Proposition 98), Staff Development..... 850,000

Schedule:

(a) 20.60.070—Bilingual Teacher Training..... 350,000

(b) 20.60.130—Collaborative Negotiations Training..... 500,000

Provisions:

1. Funds appropriated in Schedule (a) of this item are for transfer by the Controller to Section A of the State School Fund, for direct disbursement by the State Department of Education for expansion of the Bilingual Teacher Training Assistance Program, as set forth in Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code.
2. As a means of encouraging parties engaged in collective bargaining negotiations to identify common interests and avoid expensive adversarial positions, the amount appropriated in Schedule (b) of this item shall be for the purpose of providing grants to school districts to contract for the joint training of management and labor representatives within the recipient district in methods of collaborative collective bargaining. These grant funds shall be allocated pursuant to a dollar-for-dollar matching fund requirement on the part of each recipient district, and shall be allocated according to a plan that is developed by the State Department of Education and that is subject to the approval of the Secretary for Child Development and Education.

Item		Amount
6110-196-001—For local assistance, Department of Education (Proposition 98), Program 30.10—Child Development		5,934,000
Schedule:		
(a) 30.10.010-Special Programs, Child Development, Preschool Education	1,419,000	
(b) 30.10.020-Special Programs, Child Development	4,515,000	
Provisions:		
10. The appropriation in this item is for the purpose of enrollment growth and, therefore, shall be allocated to services to additional full-time equivalent children. Funds for enrollment growth shall not be used for a cost-of-living adjustment for existing contracted services.		
11. Notwithstanding any other provision of law, alternative payment child care systems shall be subject to the rates established in the GAIN Market Rate Survey for provider payments.		
6110-196-890—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Federal Trust Fund		87,495,000
Schedule:		
(a) 30.10.040.001—Special Program —Child Development	1,382,000	
(b) 30.10.040.002—Special Program —Child Care Block Grant, Direct Services	86,113,000	
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.		
2. It is the intent of the Legislature that the Department of Education develop and execute a plan for the expenditure of federal Child Care and Development Block Grant "25%" funds. This plan shall include the following:		
(a) $700,000 for partial support of certain child care and development center-based programs that are no longer being supported by "75%" federal Child Care and Development Block Grant funds due to changes in the federal definition of parental choice.		

Item		Amount
(b) $3,300,000 for support of child care services during the 1993–94 fiscal year provided under certain contracts with migrant child care centers and centers constructed with grants from the United States Department of Housing and Urban Development.		
6110-200-001—For local assistance, Department of Education (Proposition 98), Healthy Start Support Services for Children Act		19,000,000
6110-201-001—For local assistance, Department of Education (Proposition 98), Program 30.20-Child Nutrition		3,000,000
Schedule:		
(a) 30.20.030-Breakfast Startup Grants	3,000,000	
Provisions:		
1. Notwithstanding any other provision of law, the amount appropriated in Schedule (a) is for the purpose of providing grants to school districts and county superintendents of schools during the 1993–94 school year pursuant to Section 49550.3 of the Education Code.		
6110-201-890—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the Federal Trust Fund		864,143,000
6110-202-001—For local assistance, Department of Education		9,052,000
Schedule:		
(a) 30.20.010-Child Nutrition	9,048,000	
(b) 30.20.020-Pregnant/Lactating Minors	4,000	
Provisions:		
1. Funds appropriated by this item are for child nutrition programs pursuant to Section 41311 of the Education Code. Claims for reimbursement of meals pursuant to this appropriation shall be submitted not later than September 30, 1994, 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 the allocation shall not be made based on all meals served, but based on the number of meals that are served and which qualify as free or reduced price meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.		

Item Amount

6110-230-001—For local assistance, Department of Education, (Proposition 98) for transfer to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of the Proposition 98 educational programs funded in this item, in lieu of amounts otherwise provided by statute 4,630,504,000

Schedule:

(a) Programs 4,703,101,000

(b) Reimbursements ..... —72,597,000

Provisions:

1. The Superintendent of Public Instruction shall take action, in a manner consistent with state policy as expressed in statute and with the purposes of this act, to ensure the orderly administration of state-funded education programs conducted by local agencies. The 1993–94 fiscal year allocations of state aid for these programs shall be in the same amounts as the 1992–93 fiscal year allocations, adjusted as appropriate to reflect changes in other state, federal, and local revenues. Notwithstanding that restriction, of the funds appropriated in this item, the total allocations made by the Superintendent of Public Instruction for adult education programs for the 1993–94 fiscal year shall exceed the total allocations made for adult education programs under Item 6110-230-001 of Section 2.00 of the Budget Act of 1992 by the amount necessary to fund the increased average daily attendance entitlement set forth in subdivisions (a) and (e) of Section 52616.17 of the Education Code. The Superintendent of Public Instruction shall apportion funds from the program allocations to each school district, county office of education, or other agency in a manner consistent with the policies, formulas, regulations, and statutes governing those apportionments, including the appropriate program provisions set forth in the Proposed Conference Amendments No. 2 of July 2, 1992, for Senate Bill 1280 of the 1991–92 Regular Session. If funding provided in this item is greater or lesser than the amount necessary to fund these programs, the superintendent shall apportion the excess or deficiency on a proportional basis across all programs. With the excep-

Item	Amount

tion of special education, the amount included in this act for programs funded in this item shall constitute the total amount of funding available to the programs in the 1993–94 fiscal year.

2. Notwithstanding any other provision of law, not more than 5 percent of the amount apportioned to any school district, county office of education, or other agency under this item for any program may be expended by that recipient for the purposes of any other program for which the recipient is eligible for funding under this item, except that the total amount of funding allocated to the recipient under this item that is expended by the recipient for the purposes of any program pursuant to this provision shall not exceed the total amount of state funding apportioned to that recipient for that program for the 1991–92 fiscal year.
3. The educational programs that are not eligible for funding under this item are those programs funded by the following items of the Budget Act of 1991 (Ch. 118, Stats. 1991): Items 6110-001-001, 6110-001-178, 6110-001-231, 6110-001-344, 6110-001-687, 6110-001-890, 6110-005-001, 6110-006-001, 6110-006-814, 6110-008-001, 6110-015-001, 6110-021-001, 6110-101-001, 6110-101-814, 6110-101-890, 6110-106-001, 6110-113-001, 6110-117-001, 6110-128-890, 6110-129-001, 6110-136-890, 6110-141-890, 6110-152-001, 6110-156-890, 6110-160-001, 6110-161-890, 6110-165-001, 6110-166-890, 6110-171-178, 6110-176-890, 6110-181-140, 6110-183-890, 6110-196-890, 6110-200-001, 6110-201-890, 6110-202-001, and 6350-101-001.
4. Notwithstanding Section 52616.18 of the Education Code, if funds are available under this item after funding is allocated pursuant to that section, a school district that operated, and claimed state apportionments for, an adult education program in the prior fiscal year for less than 30 units of ADA may qualify under that section starting at 30 units of ADA.
5. Credit for participating in adult education classes or programs may be generated by a special day class pupil only for days for which the pupil has met the minimum day requirement in Section 46141 of the Education Code.

Item Amount

6. Except for instructional personnel services units serving infants, the county office or school district reporting a unit for the funding of special education programs under this item shall be the agency that employs the personnel staffing the units, unless the combined unit rate and support service ratio of the nonemploying agency is equal to or lower than that of the employing agency and both agencies agree that the nonemploying agency will report the unit for funding.
7. Notwithstanding any other provision of law, alternative payment child care systems shall be subject to the rates established in the GAIN Market Rate Survey for provider payments.
8. Notwithstanding subdivision (z) of Section 8208 of the Education Code, for purposes of this item, a "site supervisor" is a person who has operational program responsibility for a child care and development program at a single site. These persons shall meet the qualifications prescribed by Title 22 of the California Code of Regulations for a day care center director. In addition, these persons shall hold a regular children's center instructional permit, and shall have completed not less than six units in administration and supervision or early childhood education and child development, or both.
9. Notwithstanding any other provision of law, in the case of the Oakland Unified School District, the Controller shall identify the 1993–94 fiscal year as "the first full year of operations" for purposes of Section 42247 of the Education Code, provided that the amount of audited costs approved by the Controller for the first full year of operation shall not exceed nine million seven hundred thousand dollars ($9,700,000).
10. The reduction of the maximum allowable building area for each applicant school district pursuant to Section 17746.8 of the Education Code shall be a permanent reduction to the district's eligibility for funding under Chapter 22 (commencing with Section 17700) of Part 10 of the Education Code. To the extent feasible, the reduction shall be applied to district projects that represent the same grade levels of the pupils for which the district is claiming

Item Amount

funding pursuant to Section 42263 of the Education Code.

11. From the funds appropriated in this item, the Department of Education shall use Section 15 of SB 766, Statutes of 1992, as a method of distribution of funds for the supplemental grant program and under no circumstances shall the department interpret or use Section 15 of SB 766, Statutes of 1992, as an appropriation.
12. The $36,655,000 reduction in this item shall be allocated equally to all programs excluding special education.

6110-401—For maintenance of accounting records by the State Controller's office and the Department of Education or any other agency maintaining such records, appropriations made in this act for agency 6110 (Department of Education) are to be recorded under agency 6100 (Department of Education).

6110-402—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.

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of $28,700,000 is reappropriated from the Proposition 98 Reversion Account, for the following purposes:

001—General Fund

(1) $825,000 to be allocated on the basis of average daily attendance in the 1992–93 fiscal year for the Adults in Correctional Facilities program. This appropriation is in addition to funds made available for this purpose in Item 6110-230-001 of Section 2.00 of this act.
(2) $2,500,000 for a deficiency for the 1991–92 fiscal year for the Adults in Correctional Facilities program.
(3) $233,000 for a deficiency for the 1991–92 fiscal year for Opportunity Program incentives.
(4) $5,181,000 to augment the appropriation made in Item 6110-230-001.

Item Amount

Provisions:

1. The funds reappropriated for allocation pursuant to Categories (1), (2), and (3) of this item shall be transferred to Section A of the State School Fund.

6110-490—Reappropriation, Department of Education. Notwithstanding any other provision of law, the amounts specified below are reappropriated from the following citations, for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 1994:

001-General Fund

(1) Item 6110-196-001, Budget Act of 1991:

(a) $240,000 to support the instructional use of public television. The department shall grant funds made available by this item to child care resource and referral agencies that agree to broker training of providers of child development services in the instructional use of public television. It is the intent of the Legislature that grant recipients collaborate with public television stations KCET (Los Angeles), KVIE (Sacramento), and KQED (San Francisco) in the provision of this training.

(b) $75,000 to the Hispanic Education and Media Group for its early intervention film. In consideration, the film shall reflect that early intervention and dropout prevention begins in preschool and is mitigated by strong parent involvement. The department shall review and concur with the script.

(c) $720,000 to resource and referral agencies, to restore funding for allocation pursuant to Chapter 1331 of the Statutes of 1990.

(d) $8,800,000 for partial support of certain child care and development center-based programs. These are programs which can no longer be supported by "75%" federal Child Care and Development Block Grant funds due to changes in the federal definition of parental choice.

(e) $7,200,000 for alternative payment programs support costs to ensure that families funded by federal Child Care and Development Grant funds receive additional support services.

Item Amount

(f) $3,806,000 for special education funding, to compensate for the loss of property tax revenues.

(g) $4,614,000 for funding to county offices of education, to compensate for the loss of property tax revenues.

(h) $13,822,000 shall be used to augment the appropriation provided for in Item 6110-230-001.

(2) The sum of $17,001,067 is reappropriated from the following items in the Budget Act of 1991 to augment the appropriation made in Item 6110-230-001, as follows:

(a) Item 4300-004-001, Budget Act of 1991	488,084
(b) Item 5460-011-001, Budget Act of 1991	709,747
(c) Item 6110-114-001, Budget Act of 1991	3,946,103
(d) Item 6110-115-001, Budget Act of 1991	9,258,527
(e) Item 6110-224-001, Budget Act of 1991	1,886,646
(f) Item 6870-103-001, Budget Act of 1991	711,960

6110-495—Reversion, Department of Education. As of June 30, 1993, 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 798, Statutes of 1980, Carryover for Child Care Protective Services.

6110-496—Reversion, Department of Education. Notwithstanding subdivision (a) of Section 2.00 of this act or Section 16304 of the Government Code, as of the date that the settlement is final in the case of Long Beach Unified School District v. State of California, any funds remaining in the state special deposit impound account established for purposes of this case that are not necessary for the payment of the state's obligations under that settlement, plus any interest that would be credited to the account after that date, immediately shall revert to the General Fund.

6120-011-001—For support of California State Library, Division of Libraries, and California Library Services Board 10,527,000

Item		Amount
Schedule:		
(a) 10-State Library Services	11,966,000	
(b) 20-Library Development Services	3,296,000	
(c) 30-Automation Services	736,000	
(d) 40.01 Administration	1,588,000	
(e) 40.02 Distributed Administration.	−1,588,000	
(ex) 97.20.001-Unallocated reduction ..	−1,858,000	
(f) Reimbursements	−1,057,000	
(g) Amount payable from the Federal Trust Fund (Item 6120-011-890) ..	−2,556,000	
Provisions:		
1. Of the funds appropriated by this item, $3,448,000 shall be used to fund a Research Service Bureau.		
6120-011-890—For support of California State Library, for payment to Item 6120-011-001, payable from the Federal Trust Fund		2,556,000
6120-211-001—For local assistance, California State Library, Program 20—Library Development Services		13,438,000
Schedule:		
(a) 20.10—California Literacy Campaign	2,890,000	
(b) 20.20—Families for Literacy Program	576,000	
(c) 20.30—Direct Loan and Interlibrary Loan Programs	6,537,000	
(d) 20.40—Computerized Data Base pursuant to Education Code Section 18767	275,000	
(e) 20.50—California Library Services Act pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code....	3,160,000	
Provisions:		
1. Should the funds appropriated in Schedule (c) be insufficient to fully cover all transactions under the Direct Loan and Interlibrary Loan programs of the California Library Services Act, funding shall be prorated such that expenditures for the program are within the appropriation made in Schedule (c) of this item.		
6120-211-890—For local assistance, California State Library, Program 20—Library Development Services, payable from the Federal Trust Fund		10,961,000

Item		Amount
6120-221-001—For local assistance, California State Library Program 20-Library Development Services-Public Library Foundation Program		8,870,000
Provisions:		
1. Notwithstanding the provisions of Section 18025 of the Education Code, any city, county, district, or city and county which reduces local revenues appropriated for the public library for the 1993–94 fiscal year shall continue to receive state funds appropriated by this item for the 1993–94 fiscal year only, provided that the reduction in the public library appropriation for the 1993–94 fiscal year is no more than 10 percent of the 1992–93 fiscal year appropriation certified by the fiscal officer and returned to the state librarian for compliance with Section 18023 of the Education Code.		
2. Notwithstanding any other provision of law, for the 1993–94 fiscal year, the date on or before which the fiscal officer of each public library shall report to the State Librarian the information specified in Section 18023 of the Education Code shall be December 1, 1993.		
3. Notwithstanding any other provision of law, for the 1993–94 fiscal year, the date on or before which the Controller shall distribute funds to the fiscal officer of each public library as specified in Section 18026 of the Education Code shall be February 15, 1994.		
6255-001-001—For state operations, California State Summer School for the Arts		625,000
Schedule:		
(a) 10-California State Summer School for the Arts	1,185,000	
(b) Reimbursements from private donations and fees	−560,000	
6320-001-001—For support of California State Council on Vocational Education		90,000
Schedule:		
(a) 10-State Council on Vocational Education	337,000	
(ax) Unallocated reduction	−3,000	
(b) Amount payable from the Federal Trust Fund (Item 6320-001-890)	−244,000	

Item			Amount
6320-001-890—For support of California State Council on Vocational Education, for payment to Item 6320-001-001, payable from the Federal Trust Fund			244,000
6330-001-890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund			272,000
6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund			8,232,000
Schedule:			
(a) 10-Standards for Preparation and Licensing of Teachers	8,232,000		
(b) 10.40.010-Departmental Administration	1,672,000		
(c) 10.40.020-Distributed Departmental Administration	−1,672,000		
Provisions:			
1. Based on increases in credential applications, the amount appropriated in this item may be increased subject to 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.			
6360-001-408—For support of Commission on Teacher Credentialing, payable from the Test Development and Administration Account of the Teacher Credentials Fund			4,260,000
Schedule:			
(a) 10-Standards for Preparation and Licensing of Teachers	4,260,000		
6360-101-001—For local assistance, Commission on Teacher Credentialing (Proposition 98)			2,000,000
Schedule:			
(a) 10-Standards for Preparation and Licensing of Teachers	2,000,000		
Provisions:			
1. The amount provided in this item is intended to support a grant program for local education agencies to participate in the alternative teacher preparation and certification program as established in Education Code Section 44325 et seq. No funds in this item may be encumbered or expended prior to the enactment of legislation establishing the authority for a grant program in conjunction with the requirements of Education Code Section 44325 et seq.			

Item		Amount
6420-001-001—For support of California Postsecondary Education Commission		2,349,000
Schedule:		
(a) 100000-Personal Services	2,103,000	
(b) 300000-Operating Expenses and Equipment	746,000	
(bx) Unallocated reduction	−200,000	
(c) Amount payable from the Federal Trust Fund (Item 6420-001-890)	−300,000	
Provisions:		
1. Due to the state's budget crisis, and due to the lack of participation by California residents in student exchange programs, there is a need for a comprehensive assessment of the merits of California's continued participation in the Western Interstate Commission for Higher Education (WICHE). The California Postsecondary Education Commission shall assess the merits of California's continued membership in WICHE. This assessment shall be conducted in consultation with representatives of the Legislative Analyst's office, the Department of Finance, the University of California, the California State University, the California Community Colleges, and the Association of Independent California Colleges and Universities, as well as the appropriate student associations of these colleges and universities. The commission shall document both the benefits and the costs to the state and its citizens resulting from this membership. The commission shall submit its report to the appropriate legislative policy and fiscal committees and to the Governor prior to January 1, 1994.		
6420-001-890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-001, payable from the Federal Trust Fund		300,000
6420-101-890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund		5,728,000
6440-001-001—For support of University of California		1,688,419,000
Schedule:		
(a) Support	1,705,829,000	
(b) Charles Drew Medical Program	6,795,000	
(c) Podiatry Program	926,000	
(d) Mathematics, Engineering and Science Achievement (MESA)	1,803,000	

Item		Amount
(e)	Acquired Immune Deficiency Syndrome (AIDS) Research.....	8,593,000
(f)	Institute of Global Conflict and Cooperation	550,000
(g)	Student Financial Aid.....	53,865,000
(h)	Governor's unallocated reduction	−89,942,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00 of this act.
2. None of the funds appropriated in this item 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 28.00 of this act.
3. The funds appropriated in Schedule (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 in 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 to 4, inclusive, of Chapter 1497, Statutes of 1974.
6. Of the amount appropriated 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. The funds appropriated in Schedule (g) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the

Item	Amount
nationally accepted needs analysis methodology. 8. Of the amount appropriated in Schedule (a), $5,575,000 is for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds. 9. Of the amount appropriated in Schedule (a), $582,000 (of which $291,000 is one-time funding) shall be expended solely for the purposes of transferring the Assembly's data base to the Berkeley Institute of Governmental Studies and maintaining the data base at the institute. 10. It is the intent of the Legislature that the legislative augmentation of $50,000,000 to the Governor's January budget reflected in this item be used to reduce by 1.5 percent the faculty and staff salary cut proposed by the University of California, and to ensure that the student fee increase for the 1993–94 fiscal year does not exceed $630 per student.	
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
6440-001-234—For support of the University of California, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	5,348,000
6440-001-814—For support of University of California, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund	16,285,000
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.	
6440-002-001—For support of University of California .	(55,000,000)
Provisions: 1. Notwithstanding Section 2.00 of this act, the funds appropriated by this item are not available for expenditure or encumbrance prior to	

Item		Amount
July 1, 1994. Claims for these funds shall be submitted by the University of California on or after July 1, 1994, and before October 1, 1994.		
2. No reserve may be established by the State Controller for this appropriation before July 1, 1994.		
6440-003-001—For support of the University of California, for transfer to and in augmentation of Item 6440-001-001, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the University of California to make the required lease-purchase payments		48,117,000
6440-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of University of California instructional facilities pursuant to Government Code Section 15820.50, et seq.		93,711,000
Schedule:		
Davis Campus:		
(2) 99.03.090-Social Sciences and Humanities Building—Equipment	1,124,000	
Irvine Campus:		
(3) 99.09.100-Social Sciences Unit 2—Construction	29,266,000	
Riverside Campus:		
(4) 99.05.050-Engineering Science Building, Unit 1—Equipment	2,702,000	
(5) 99.05.065-Humanities and Social Sciences Building, Unit 1—Construction	17,605,000	
San Diego Campus:		
(6) 99.06.085-Engineering Building Unit 2—Equipment	2,070,000	
(7) 99.06.115-Social Sciences Building —Construction	13,130,000	
Santa Barbara Campus:		
(8) 99.08.045—Humanities and Social Sciences Building—Construction	27,814,000	
Provisions:		
1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve		

Item		Amount
fund and the cost of issuance of permanent financing.		
6440-301-705—For capital outlay, University of California, payable from the 1992 Higher Education Capital Outlay Bond Fund		136,061,000
Schedule:		
Universitywide:		
(1) 99.00.005-Minor Capital Improvements—Preliminary plans, working drawings, construction, and equipment	13,000,000	
(2) 99.00.010-Project Programming—Preliminary plans	1,000,000	
(3) 99.00.025-Southern Regional Library Facility, Phase 2—Construction	13,748,000	
Berkeley Campus:		
(4) 99.01.015-Life Sciences Building Renovation for Ecology and Evolutionary Biology—Equipment	3,592,000	
(5) 99.01.085-Doe and Moffitt Libraries Addition and Seismic Improvements—Equipment	1,325,000	
(6) 99.01.095-Dwinelle Hall Expansion—Working Drawings	480,000	
(7) 99.01.100-Doe Library Seismic Corrections, Step 2—Working Drawings	237,000	
(8) 99.01.105-Campus Water Distribution System Expansion, Step 1—Construction	1,265,000	
(9) 99.01.115-Campus Sewer System Renewal—Preliminary Plans and Working Drawings	170,000	
(10) 99.01.120-Campus Steam Distribution System Renovation, Step 1—Preliminary Plans and Working Drawings	238,000	
(11) 99.01.125-Environment, Health, and Safety Facility—Preliminary Plans	800,000	
(12) 99.01.130-Hearst Memorial Mining Building Seismic and Program Improvements—Preliminary Plans	100,000	
(13) 99.01.135-Classroom Renovations, Step 1—Preliminary Plans and Working Drawings	176,000	

Item	Amount
(14) 99.01.140-Campus Water Distribution System Expansion, Step 2—Preliminary Plans and Working Drawings	247,000
(15) 99.01.145-Building Fire Alarm Systems—Preliminary Plans and Working Drawings	97,000
Davis Campus:	
(15.5) 99.03.075-Engineering Unit 2—Equipment	1,016,000
(16) 99.03.100-Bodega Marine Laboratory Expansion—Construction	3,801,000
(17) 99.03.110-Life Sciences Expansion: Briggs Hall Addition—Construction	24,664,000
(18) 99.03.115-Bainer Hall Modifications—Construction	4,674,000
(19) 99.03.120-Environmental Design Building—Working Drawings	789,000
(20) 99.03.125-South Campus Infrastructure—Preliminary Plans	185,000
(21) 99.03.130-Seismic Corrections, Phase 3—Preliminary Plans and Working Drawings	151,000
(22) 99.03.135-Environmental Services Facility—Preliminary Plans	886,000
(23) 99.03.145-Electrical System Modification, Phase 2—Preliminary Plans, Working Drawings, and Construction	2,507,000
(23.5) 99.03.150-School of Veterinary Medicine—Study	250,000
Irvine Campus:	
(24) 99.09.065-Science Library—Equipment	1,490,000
(25) 99.09.080-Engineering Unit 2—Equipment	4,247,000
(26) 99.09.085-Engineering Unit 1 Renovation—Equipment	1,391,000
(27) 99.09.105-Main Library Renovation and Seismic Improvements—Preliminary Plans and Working Drawings	374,000
(28) 99.09.110-Humanities/Fine Arts Facilities—Working Drawings	1,374,000

Item	Amount
(29) 99.09.115-Computer Science Addition and Renovation—Construction	3,807,000
(30) 99.09.125-Environmental Health and Safety Services Building—Preliminary Plans and Working Drawings	799,000
(32) 99.09.135-Central Plant Chiller Step 3, and Seismic Improvements—Preliminary Plans and Working Drawings	790,000
(33) 99.09.140-Science Lecture Hall Building Alterations and Seismic Improvements—Working Drawings and Construction	869,000
(34) 99.09.145-Gateway Building Seismic Improvements—Working Drawings and Construction	1,148,000
Los Angeles Campus:	
(35) 99.04.080-Law Library Addition and Related Improvements—Working Drawings	838,000
(36) 99.04.085-Chemistry/Biological Sciences-Young Hall South Renovation—Working Drawings	711,000
(37) 99.04.095-Molecular Life Sciences Building—Preliminary Plans	994,000
(38) 99.04.100-Electrical Distribution System Expansion, Step 6A—Preliminary Plans	100,000
(39) 99.04.105-Campus Fire Alarm System Upgrade, Phase 1—Working Drawings and Construction	3,203,000
(40) 99.04.110-Royce and Kinsey Halls Seismic Corrections, Phase 1—Preliminary Plans	155,000
Riverside Campus:	
(41) 99.05.075-Science Library—Working Drawings	1,229,000
San Diego Campus:	
(43) 99.06.070-Sciences Building—Equipment	2,378,000
(44) 99.06.110-Mandeville Renovations—Construction	1,240,000
(45) 99.06.120-Classroom Building 1—Construction	11,419,000

Item	Amount
(46) 99.06.140-Materials Handling Facility—Construction	4,176,000
(47) 99.06.145-Bonner Hall Improvements—Preliminary Plans and Working Drawings	610,000
San Francisco Campus:	
(49) 99.02.040-Library Release Space Improvements—Equipment	1,925,000
(50) 99.02.055-Parnassus Fire Protection Water Supply System —Working Drawings and Construction	1,403,000
(51) 99.02.070-Emergency Shower and Eyewash System Improvements, Phase 1—Working Drawings and Construction	961,000
(52) 99.02.075-Emergency Shower and Eyewash System Improvements, Phase 2—Preliminary Plans and Working Drawings	201,000
(53) 99.02.080-Compartmentalization Fire and Life Safety Improvements, Phase 1—Preliminary Plans and Working Drawings	320,000
Santa Barbara Campus:	
(54) 99.08.030-Physical Sciences Building—Equipment	2,082,000
(55) 99.08.040-Environmental Health and Safety Facility, Phase 2—Construction and Equipment.	1,660,000
(56) 99.08.050-Physical Sciences Renovations—Working Drawings and Construction	2,481,000
(57) 99.08.060-Environmental Sciences Building—Preliminary Plans	783,000
(58) 99.08.065-Humanities and Social Sciences Renovations and Seismic Corrections—Preliminary Plans	355,000
Santa Cruz Campus:	
(59) 99.07.040-Earth and Marine Sciences Building—Equipment	2,032,000
(60) 99.07.050-Colleges Nine and Ten Academic Facilities—Equipment	1,181,000
(61) 99.07.060-Music Facility—Equipment	288,000

Item		Amount
(62) 99.07.070-Improvements to Arts Facilities—Working Drawings.....	628,000	
Agriculture and Natural Resources:		
(64) 99.10.030-WestSide Irrigation System—Working Drawings and Construction	756,000	
(65) 99.10.035-Agriculture and Natural Resources: Alternative Pest Control Quarantine and Containment Facilities for California—Preliminary Plans and Study	265,000	
6440-301-791—For capital outlay, University of California, payable from the 1990 Higher Education Capital Outlay Bond Fund		1,500,000
Schedule:		
(1) 99.00.035-Environmental Impact Report, Central Valley Proposed "Tenth Campus"—Study	1,500,000	
Provisions:		
1. The funds appropriated in this item are solely for the purpose of preparing an environmental studies report for a proposed new campus of the University of California in the Central Valley region of California.		
6440-401—Authorization, University of California. Pursuant to Chapter 3.6 (commencing with Section 15820.15) of Part 10b of Division 3 of Title 2 of the Government Code, the following projects are authorized:		
Schedule:		
(a) Berkeley Campus—Silver Laboratory Expansion.		
(b) Davis Campus—Center for Comparative Medicine.		
(c) Irvine Campus—Neurosciences Research Facility.		
(d) Los Angeles Campus—Molecular Neurosciences Research Center.		
(e) San Diego Campus—Science and Engineering Research Facility.		
(f) Santa Barbara Campus—Materials Research Laboratory.		

Item Amount

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balances, as of June 30, 1993, 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 encumbrance and expenditure until June 30, 1994:

001—General Fund

(1) Item 6440-001-001, Budget Act of 1992.

Provisions:

1. The reappropriated funds from Item 6440-001-001, Budget Act of 1992, shall be available for the general support of the University of California.
2. 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, 1993, of Item 6440-001-001 of the Budget Act of 1992, by September 30, 1993, and the expenditures made pursuant to this item by September 30, 1994.
3. The University of California shall return to the State Controller, state general funds appropriated in the Budget Act of 1992 in an amount equal to the General Fund portion of federal contract and grant overhead funds in excess of the 1992–93 fiscal year budgeted amount.

(2) Item 6440-003-001, Budget Act of 1992.

6440-491—Reappropriation, University of California. The balances of the appropriations identified in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations.

705—1992 Higher Education Capital Outlay Bond Fund

Item 6440-301-705(46), Budget Act of 1992

Santa Cruz Campus

(1) 99.07.050, Colleges Nine and Ten: Academic Facilities—Construction

6600-001-001—For support of Hastings College of the Law 11,493,000

Schedule:

(a) Support	11,608,000
(b) Student Services	774,000
(c) Unallocated reduction	−889,000

Item Amount

Provisions:

1. The appropriations made in this item are exempt from Section 31.00 of this act.
2. The funds appropriated in Schedule (b) are for support of 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.

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..... 133,000

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.

6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the balance, as of June 30, 1993, of the appropriation provided in the following citation is reappropriated and shall be available for encumbrance and expenditure until June 30, 1994:

001—General Fund

(1) Item 6600-001-001, Budget Act of 1992

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, 1993, of Item 6600-001-001 of the Budget Act of 1992, by September 30, 1993, and the expenditures made pursuant to this item by September 30, 1994.

6610-001-001—For support of the California State University..... 1,457,697,000

Schedule:

(a) Support.....	2,051,724,000
(b) Reimbursements.....	−62,216,000
(c) Amounts payable from the Higher Education Fees and Income Fund (Item 6610-001-498)	−531,811,000

Item	Amount

Provisions:

1. The appropriations in this item are exempt from Section 31.00 of this act, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00. If the California State University elects to expend funds appropriated in this item for increases in salary ranges or any other employee compensation purpose in the 1993–94 fiscal year, the university shall provide written notification, at least 30 days prior to implementation of that decision, to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or within any lesser time as determined by the Chairperson of the Joint Legislative Budget Committee or his or her designee. This written notification shall describe in detail the proposed increases in salary ranges or other employee compensation proposed to be funded and the associated cost, and shall indicate whether that action will result in the requirement of additional funding for the 1994–95 fiscal year. If additional funding will be required for this purpose for the 1994–95 fiscal year, the written notification shall include an estimate of the amount of that funding and the university's intended source for that funding.
2. Of the amount appropriated in this item, $467,000 is available for transfer to the California State University and Colleges Special Projects Fund, pursuant to Section 25008.5 of the Public Resources Code, which allows state agencies to retain 50% of the financial benefits realized through energy savings projects.
3. Of the amount appropriated in this item, $4,670,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.
4. Of the amount appropriated in this item, $350,000 is for transfer to the Affordable Student Housing Revolving Fund, 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

Item	Amount
Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of the Education Code.	
5. It is the intent of the Legislature that the legislative augmentation of $50,000,000 to the Governor's January budget for the 1993–94 fiscal year reflected in this item be used to ensure that the student fee increase for the 1993–94 fiscal year does not exceed $132 per student, and that any unallocated reductions do not occur in either student financial aid or faculty positions.	
6610-001-498—For support of the California State University, for payment to Item 6610-001-001, payable from the Higher Education Fees and Income, CSU Fund	531,811,000
Provisions:	
1. All funds received in the Higher Education Fees and Income, CSU Fund, which are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6610-001-705—For support of the California State University, payable from the 1992 Higher Education Capital Outlay Bond Fund	5,000,000
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 CSU Asbestos Abatement Feasibility Study, Composite Report, dated May 31, 1988.	
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.	
3. Notwithstanding Section 2.00 of this act, the funds appropriated by this item shall be available for expenditure until June 30, 1996.	
6610-001-890—For support of the California State University, payable from the Federal Trust Fund	6,000,000
Provisions:	
1. All funds deposited in the Federal Trust Fund for the California State University for the purposes of this item and that are in excess of the	

Item		Amount
amount appropriated in this item are hereby appropriated in augmentation of this item and are exempt from Section 28.00 of this act, pursuant to Education Code Section 89753(a).		
6610-002-001—For support of the California State University for transfer to and in augmentation of Item 6610-001-001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate and Executive Fellows program and the Center for California Studies		1,518,000
Schedule:		
(a) Center for California Studies —Fellows Program	212,000	
(b) Center for California Studies —Other	25,000	
(c) Assembly Fellows	498,000	
(d) Senate Fellows	498,000	
(e) Executive Fellows	285,000	
6610-003-001—For support of 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 payments		20,811,000
6610-021-001—For support of the California State University, in addition to and in augmentation of Item 6610-001-001, for deferred maintenance and special repairs, payable from the General Fund		3,218,000
Provisions:		
1. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 1996.		
6610-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of California State University instructional facilities pursuant to Government Code Section 15820.50 et seq.		90,031,000
Schedule:		
California State University, Bakersfield:		
(1) 06.50.054-Walter W. Stiern Library—Equipment	2,993,000	
(2) 06.50.057-Library Remodel—Construction	4,072,000	

Item		Amount
California State University, Dominguez Hills:		
(3) 06.54.070-Initial Building Renovation, Phase I—Construction and equipment		2,624,000
California State University, Fresno:		
(4.1) 06.56.070-Education Building—Equipment		3,928,000
California State University, Fullerton:		
(5) 06.62.073-Classroom/Student and Academic Support/Faculty Office Building—Equipment		1,309,000
(6) 06.62.074-Library Building Addition—Construction		25,098,000
California State University, Long Beach:		
(7) 06.71.094-Physical Education Building Addition—Equipment		400,000
California State University, Northridge:		
(8.1) 06.82.060-Physical Education Addition and Renovation—Construction		12,122,000
California State University, Sacramento:		
(9) 06.76.089-Student Service Center Remodel/Expansion—Construction		3,993,000
California State University, San Bernardino:		
(10) 06.78.060-Library Addition/Site Development—Equipment		4,232,000
San Diego State University:		
(11) 06.80.140-Library Addition —Construction		26,703,000
San Francisco State University:		
(12) 06.84.063-Classroom/Faculty Office Building—Equipment		2,557,000
Provisions:		
1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve fund and the cost of issuance of permanent financing.		
6610-301-705—For capital outlay, California State University, payable from the 1992 Higher Education Capital Outlay Bond Fund		144,928,000

Item	Amount
Schedule:	
Systemwide:	
(1) 06.48.313-Systemwide: Preliminary planning, cost benefit analyses and feasibility studies for selected 1993–94, 1994–95, and 1995–96 projects	1,000,000
(2) 06.48.314-Systemwide: Campus master planning and Architectural Services—Preliminary planning	500,000
(3) 06.48.315-Minor Capital Outlay—Preliminary planning, working drawings, construction and equipment	14,000,000
(4) 06.48.321-Systemwide: Feasibility studies for energy retrofits—Preliminary planning	250,000
(5) 06.48.333-Systemwide: Campus utilities infrastructure master planning—Preliminary planning	1,000,000
(7) 06.48.337-Systemwide: Boiler Retrofits—Preliminary planning, working drawings, construction and equipment	6,500,000
(7.1) 06.48.341-Dominguez Hills: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	270,000
(7.2) 06.48.342-Fresno: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	252,000
(7.3) 06.48.343-Fullerton: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	672,000
(7.4) 06.48.344-Hayward: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	255,000
(7.5) 06.48.345-Hayward: Seismic Safety Action Plan; Boiler Plant—Working drawings and construction	340,000

Item	Amount
(7.6) 06.48.346-Humboldt: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	550,000
(7.7) 06.48.347-Long Beach: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	275,000
(7.8) 06.48.348-Long Beach: Seismic Safety Action Plan; McIntosh Hall—Working drawings	150,000
(7.9) 06.48.349-Los Angeles: Seismic Safety Action Plan; Administration—Working drawings	150,000
(7.10) 06.48.350-Northridge: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	375,000
(7.11) 06.48.351-Northridge: Seismic Safety Action Plan; Sierra Tower—Working drawings	167,000
(7.12) 06.48.352-Pomona: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	385,000
(7.13) 06.48.353-Sacramento: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	302,000
(7.14) 06.48.354-San Bernardino: Seismic Safety Action Plan; Phau Library—Working drawings	130,000
(7.15) 06.48.355-San Bernardino: Seismic Safety Action Plan; Physical Education—Working drawings	60,000
(7.16) 06.48.356-San Diego: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	405,000
(7.17) 06.48.357-San Francisco: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction	320,000
(7.18) 06.48.358-San Francisco: Seismic Safety Action Plan; Library—Working drawings	250,000

Item	Amount
(7.19) 06.48.359-San Francisco: Seismic Safety Action Plan; Humanities—Working drawings...	300,000
(7.20) 06.48.360-San Francisco: Seismic Safety Action Plan; Hensil —Working drawings.....	150,000
(7.21) 06.48.361-San Jose: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction.....	420,000
(7.22) 06.48.362-San Luis Obispo: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction.....	575,000
(7.23) 06.48.363-Sonoma: Seismic Safety Action Plan; Falling Hazards—Working drawings and construction.....	597,000
(7.24) 06.48.364-Stanislaus: Seismic Safety Action Plan; Science Building—Working drawings...	150,000
California State University, Bakersfield:	
(8) 06.50.049-Music Building Addition—Equipment.....	265,000
California State University, Chico:	
(9) 06.52.098-Air Conditioning Upgrade Computer Center—Preliminary plans.....	19,000
California State University, Fresno:	
(10) 06.56.083-Renovation/Upgrade High Voltage Distribution System—Preliminary plans	52,000
California State University, Fullerton:	
(11) 06.62.077-Electrical/Communications Infrastructure Upgrade—Working drawings and construction	19,019,000
(12) 06.62.080-Renovate/Upgrade Chiller/Central Plant—Preliminary plans, working drawings and construction	753,000
California State University, Hayward:	
(13) 06.64.074-Renovate/Upgrade Library/Motor Control—Preliminary plans	17,000

Item	Amount
Humboldt State University:	
(14) 06.67.086-Science Building and Laboratory Renovation—Construction	2,649,000
(15) 06.67.089-Renovate/Upgrade Ventilation/Creative Arts—Preliminary plans	23,000
California State University, Long Beach:	
(16) 06.71.082-Library Addition and Remodel—Equipment	868,000
(17) 06.71.095-Central Plant Addition —Construction and equipment	25,803,000
California State University, Los Angeles:	
(18) 06.73.083-Thermal Energy Storage/Upgrade Electrical System —Construction	5,190,000
(19) 06.73.085-Renovate/Upgrade Sewerline/Water Distribution System—Preliminary plans	87,000
California State University, Northridge:	
(20) 06.82.058-Business Administration/Economic and Education Building—Equipment	2,829,000
(21) 06.82.073-Central Plant and Utilities Infrastructure I and II—Preliminary plans and working drawings	1,428,000
California State Polytechnic State University, Pomona:	
(22) 06.98.094-Renovate/Upgrade HVAC Systems Library and Arts Building—Preliminary plans	16,000
(23) 06.98.096-Institute for Regenerative Studies II—Working drawings, construction and equipment	599,000
California State University, Sacramento:	
(24) 06.76.086-Infrastructure Upgrade—Construction	5,856,000
(25) 06.76.091-Upgrade Central Utility System—Preliminary plans	23,000
California State University, San Bernardino:	
(26) 06.78.069-Visual Arts Building—Construction	13,658,000
(27) 06.78.082-Renovate/Upgrade Chiller/Central Plant—Preliminary plans	23,000

Item	Amount
San Diego State University:	
(28) 06.80.120-Imperial Valley Campus Improvements—Equipment	538,000
(29) 06.80.144-Renovate/HVAC Systems/Music/Adams Humanities —Preliminary plans	46,000
San Francisco State University:	
(30) 06.84.060-Burk Education Building Remodel and Addition—Construction	15,439,000
(31) 06.84.089-Central Plant and Utility Infrastructure—Preliminary plans and working drawings	967,000
(32) 06.84.093-Renovate/Upgrade HVAC Creative Arts—Preliminary plans	38,000
San Jose State University:	
(33) 06.86.098-7th, 9th and San Carlos Street Development—Construction	3,695,000
(34) 06.86.100-Renovate/Upgrade Electrical Infrastructure—Preliminary plans	15,000
(35) 06.86.101-San Carlos Street Acquisition	800,000
California Polytechnic State University, San Luis Obispo:	
(36) 06.96.106-Upgrade Utilities, Heat and Water Distribution Systems —Preliminary plans and working drawings	1,185,000
California State University, San Marcos:	
(37) 06.68.054-Infrastructure/Site Development II—Construction	11,893,000
(38.1) 06.68.058-Central Plant Expansion—Preliminary plans and working drawings	337,000
Sonoma State University:	
(39) 06.90.076-Renovate/Upgrade Chiller/Central Plant—Preliminary plans	28,000
California State University, Stanislaus:	
(40) 06.92.055-Renovate/Upgrade Central Plant, Chiller and Cooling Tower—Preliminary plans	20,000

Item Amount

Provisions:

1. First priority for the expenditure of minor capital outlay funds pursuant to Schedule (3) shall be the elimination of falling hazards identified in the California State University's Seismic Safety Action Plan for the following campuses: Bakersfield, Chico, Los Angeles, San Bernardino, and Stanislaus.
2. Notwithstanding Section 13332.11 of the Government Code, the State Public Works Board shall authorize no augmentation of the funding appropriated in Schedule (37) for purposes of the project identified in that schedule.

6610-490—Reappropriation, California State University. 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, 1995:

001—General Fund

(1) Item 6610-001-001, Budget Act of 1992.

Provisions:

1. The reappropriated funds from Item 6610-001-001, Budget Act of 1992, shall be available for the general support of the California State University.
2. 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, 1993, of Item 6610-001-001 of the Budget Act of 1992, by September 30, 1993, and the expenditures made pursuant to this item by September 30, 1994, and September 30, 1995.

785-1988 Higher Education Capital Outlay Bond Fund

(1) Item 6610-001-785, Budget Act of 1988, as reappropriated by Item 6610-490, Budget Act of 1991.

791—June 1990 Higher Education Capital Outlay Bond Fund

(1) Item 6610-001-791, Budget Act of 1990.

Item Amount

6610-491—Reappropriation, California State University. 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 those appropriations.

660—Public Buildings Construction Fund Item 6610-301-660, Budget Act of 1990

California State University, Long Beach

(1) 06.71.084-Dance Facility/Auditorium—Construction.

California State University, Northridge

(2) 06.82.058-Business Administration/Economics and Education Building—Construction.

California State Polytechnic University, Pomona

(3) 06.98.081-Laboratory Facility—Working drawings, construction, and equipment.

California State University, Sacramento

(4) 06.76.076-Classroom/Faculty Office/Laboratory Building—Construction.

California State University, San Bernardino

(5) 06.78.059-School of Business/Information Sciences Building—Working drawings and construction.

705—1992 Higher Education Capital Outlay Bond Fund

Item 6610-301-705, Budget Act of 1992

California State University, Systemwide

(3) 06.48.315-Systemwide: Minor Capital Outlay —Preliminary plans, working drawings, construction, and equipment.

(5) 06.48.323-Systemwide: Ventura Center Master plan, Phase III—Preliminary planning.

(7) 06.48.335-Systemwide: Seismic Safety Action Plan—Preliminary planning.

(9) 06.48.337-Systemwide: Boiler Retrofits—Preliminary plans, working drawings, construction, and equipment.

California State University, Fresno

(21) 06.56.082-Classroom Building—Preliminary plans and working drawings.

California State University, Hayward

(27) 06.64.073-Science Building Renovation—Preliminary plans and working drawings.

Item	Amount
California State University, Long Beach	
(33) 06.71.097-Renovate Fine Arts Building and Addition—Preliminary plans and working drawings.	
(34) 06.78.098-Remodel Peterson Hall and addition—Preliminary plans and working drawings.	
California State University, Northridge	
(42) 06.82.068-Engineering Addition, Asbestos Abatement, Phase II (Renovation)—Preliminary plans and working drawings.	
California State University, San Bernardino	
(52) 06.78.081-Social and Behavioral Sciences Building—Preliminary plans and working drawings.	
San Diego State University	
(59) 06.80.143-Science Laboratory Building—Preliminary plans and working drawings.	
San Francisco State University	
(62) 06.84.087-Corporation Yard—Preliminary plans and working drawings.	
(63) 06.84.088-Correct Fire, Life Safety Deficiencies—Working drawings and construction.	
(64) 06.84.091-Administration Building-Seismic Rehabilitation—Preliminary plans and working drawings.	
San Jose State University	
(67) 06.86.098-7th, 9th, and San Carlos Street Development—Preliminary plans and working drawings.	
(68) 06.86.099-Spartan Complex Renovation—Preliminary plans and working drawings.	
California State University, Stanislaus	
(75) 06.92.051-Professional Schools Building —Preliminary plans and working drawings.	
(76) 06.92.052-Educational Services Building —Preliminary plans and working drawings.	
785—1988 Higher Education Capital Outlay Bond Fund of 1988	
Item 6610-301-785, Budget Act of 1988, as reappropriated by Item 6610-491 of the Budget Acts of 1989, 1990, 1991, and 1992.	
California State University, Northridge	
(29) 06.82.061-Ventura Site Masterplan	
791—1990 Higher Education Capital Outlay Bond Fund	
Item 6610-301-791, Budget Act of 1990	

Item		Amount
California State University, Fresno		
(11) 06.56.067-Music Building Remodel and Addition—Construction.		
California State Polytechnic University, Pomona		
(36) 06.98.083-Utilities II—Preliminary plans, working drawings, and construction.		
San Diego State University		
(45) 06.80.109-Chemistry/Geology Renovation and Addition-Chilled Water System Expansion, Phase I—Working drawings and construction.		
(46) 06.80.110-Classroom/Student Services Building, Phase II—Construction.		
(51) 06.80.142-Utilities Improvements, Phase I—Working drawings and construction.		
6860-001-001—For support of California Maritime Academy		6,210,000
Schedule:		
(a) 10-Instruction	5,295,000	
(b) 20-Academic Support	1,285,000	
(c) 30-Student Services	3,514,000	
(d) 40.01-Administration	2,369,723	
(e) 40.02-Distributed Administration	−2,369,723	
(ex) 97.20-Unallocated reduction	−2,000	
(f) Reimbursements	−3,451,000	
(g) Amount payable from the Federal Trust Fund (Item 6860-001-890)	−401,000	
(h) 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 adjust and recapture any expenditures made pursuant to this item by an amount of up to $422,000. The Director of Finance shall report these changes to the Joint Legislative Budget Committee.		

Item Amount

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 ..... (65,000)

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to the California Maritime Academy 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.

6860-001-890—For support of California Maritime Academy, for payment to Item 6860-001-001, payable from the Federal Trust Fund 401,000

Provisions:

1. All funds deposited in the Federal Trust Fund for the California Maritime Academy for the purchase of fuel oil and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item and are exempt from Section 28.00 of this act.

6860-301-705—For capital outlay, California Maritime Academy, payable from the 1992 Higher Education Capital Outlay Bond Fund 200,000

Schedule:

(2) 70.68.002—Pier Replacement —Preliminary Plans	150,000
(3) 70.68.003—Utility Infrastructure —Study	25,000
(4) 70.68.004—Laboratory Addition/ Library Addition—Study	25,000

6860-490—Reappropriation, California Maritime Academy. Notwithstanding any other provision of law, the balance, as of June 30, 1993, of the appropriation provided in the following citation is reappropriated and shall be available for encumbrance and expenditure until June 30, 1994:

001—General Fund

(1) Item 6860-001-001, Budget Act of 1992.

Provisions:

1. The California Maritime Academy shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of

Item		Amount
	the unencumbered balance, on June 30, 1993, of Item 6860-001-001 of the Budget Act of 1992, by September 30, 1993, and the expenditures made pursuant to this item by September 30, 1994.	
6870-001-001—For support of Board of Governors of the California Community Colleges		8,697,000
Schedule:		
(a) 10-Apportionments	1,482,000	
(b) 20-Special Services and Operations	11,902,582	
(c) 30.01-Administration	3,849,000	
(d) 30.02-Administration—Distributed	−3,849,000	
(dx) 97.20.001-Unallocated Reduction	−1,535,000	
(f) Reimbursements	−3,152,582	
Provisions:		
1. Of the amount appropriated in this item, $100,000 is provided to the chancellor's office for allocation to "Recording for the Blind". The terms of the required contract with "Recording for the Blind" shall specify that the $100,000 allocation shall not supplant funds currently used to provide services to community college students in California and that the level of services provided to such students for 1993–94 fiscal year by "Recording for the Blind" shall be $100,000 higher than the level of services provided to such students by the agency in 1988–89 fiscal year. Any amount unencumbered as of June 30, 1994, from the $100,000 set aside in this provision shall be available for expenditure through June 30, 1995, by the chancellor's office for state support costs of its programs for disabled students.		
2. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:		
(a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in		

Item		Amount
accordance with the rules and regulations of the commission.		
(b) The service provided under the contract does not result in the displacement of any represented civil service employee.		
(c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the State Board of Control.		
6870-001-791—For support of Board of Governors of the California Community Colleges, Program 20.40.010—Facilities Planning, payable from the June 1990 Higher Education Capital Outlay Bond Fund		778,000
6870-001-890—For support of Board of Governors of the California Community Colleges, payable from the Federal Trust Fund		100,000
Schedule:		
(a) Program 20.30.050-Economic Development	100,000	
6870-001-925—For support of Board of Governors of the California Community Colleges, payable from the Business Resources Assistance and Innovation Network Trust Fund		82,000
Schedule:		
(a) Program 20-Special Services and Operations	395,000	
(b) Reimbursements	−313,000	
6870-101-001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)		869,073,000
Schedule:		
(a) 10-Apportionments	659,072,000	
(b) 20.10.010-Extended Opportunity Programs and Services and Special Services	98,649,000	
(c) 20.10.020-Disabled Students	34,424,000	
(d) 20.10.070-Matriculation	42,575,000	

Item	Amount
(e) 20.20.020-Academic Senate for the Community Colleges	452,000
(f) 20.20.040-Faculty and Staff Diversity	1,859,000
(g) 20.30.010-Faculty and Staff Development	5,233,000
(h) 20.30.020-Instructional Improvement, for Transfer to the Community College Fund for Instructional Improvement	736,000
(i) 20.30.050-Economic Development	6,973,000
(j) 20.30.070-Transfer Education and Articulation	1,843,000
(k) 20.30.090-Underrepresented Students	220,000
(*l*) 20.40.040-Hazardous Substances	8,000,000
(m) 20.10.060-Foster Parent Training Program	337,000
(n) 20.40.020-Deferred Maintenance	8,700,000

Provisions:

1. The funds appropriated in Schedule (a) are for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund.

2.5. Notwithstanding any other provision of law, $19,000,000 of the funds appropriated in Schedule (a) shall be for allocation to community college districts in the 1993–94 fiscal year for the purposes of funding FTES in courses in basic skills, including English-as-a-second-language courses, to the extent the total FTES claimed by a district for the 1993–94 fiscal year exceeds the level of total FTES funded for that district in the 1993–94 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.

3. (a) Of the amount appropriated in Schedule (a), up to $6,993,000 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

Item Amount

apprenticeship training program(s) unless that program(s) has been approved by the chancellor.

(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 four dollars and five cents ($4.05) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.

4. Of the funds appropriated in Schedule (a), $8,000,000 are for educational services to participants in the Greater Avenues for Independence Program and shall not be considered as part of the base revenues for community college districts in computing apportionments for the 1994–95 fiscal year. The additional FTES generated above each district's funded FTES shall not be added to the subsequent year's FTES base, and the additional revenues and FTES shall not be included in calculations for determining the average revenues per FTES. To the extent the funds are not required for the 1993–94 fiscal year to meet the demand for this program, those funds shall be made available on a one-time basis for general apportionments under Schedule (a), subject to the condition that no such transfer may occur prior to May 15, 1994.

4.1. Of the funds appropriated in Schedule (a), $400,000 is for allocation to Chabot College for portable building leases for displaced academic programs until the remodeling of the Humanities Building is complete, and $856,000 is for allocation to Los Angeles Southwest College for reimbursement of rental costs of portable classroom buildings.

5. (a) The funds appropriated in Schedule (b) are for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund and are exclusively for allocation to local assistance programs notwith-

Item		Amount
	standing Section 69648.5 of the Education Code.	
	(b) Of the amount in Schedule (b), $36,122,000 is for 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; $56,637,000 is for the Board Financial Aid Program; $5,281,000 is for the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029 of the Statutes of 1982; and $574,000 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 1992–93 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. To the extent funds are not required for the 1993–94 fiscal year to meet the demand for the Board Financial Aid Program, those funds shall be made available for general apportionments under Schedule (a), subject to the condition that no such transfer may occur prior to May 15, 1994.	
6.	(a) The funds appropriated in Schedule (c) are for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund for local assistance 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. The chancellor shall allocate an amount not to exceed $929,000 of the funds to districts for local assistance purposes for program development and program evaluation pursuant to Section 84850 of the Education Code. At least 15 days prior to allocation of funds, the chancellor shall submit an	

Item Amount

expenditure plan to the Department of Finance.

(b) Of the amount appropriated in Schedule (c), at least $583,000 shall be used for support of the High Tech Center for activities including, but not limited to, training of district employees and students in the use of specialized computer equipment for the disabled.

(c) Of the amount appropriated in Schedule (c), $800,000 shall be used for staff costs at campus High Tech Centers to be selected by the chancellor.

(d) Notwithstanding any other provision of law, of the funds appropriated in Schedule (c), $1,311,000 shall be for state hospital adult education programs at the hospitals served by the Coast, Kern and West Valley Community College Districts since the 1986–87 fiscal year. The amount provided includes the level of funding provided for these state hospital programs in the 1986–87 fiscal year, plus subsequent cost-of-living adjustments. If adult education services at any of the three hospitals are not supported by the community colleges in the 1993–94 fiscal year, the associated funds shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the Department of Developmental Services (DDS). For any transfer of funds to DDS during the 1993–94 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.

7. The funds appropriated in Schedule (d) are for the purpose of student matriculation, as specified in Chapter 1467 of the Statutes of 1986, and are for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund.
8. The amounts in Schedules (f), (g), and (i) are for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund.
9. Of the amount appropriated in Schedule (j), $589,000 is for Project ASSIST; $310,000 is for

Item	Amount
Middle Colleges Program; $165,000 is for Joint Faculty Projects; $489,000 is for the establishment of Mathematics, Engineering and Science Achievement/Minority Engineering (MESA/MEP) Programs at three community college sites; and $290,000 is for Migrant Education Teacher Preparation Programs at five community colleges.	
10. The funds appropriated in Schedule (n) shall be distributed by the chancellor's office to the districts on a project-by-project basis based on priority of need for the project. Pursuant to Section 84661 of the Education Code, districts shall provide matching funds, unless the Board of Governors waives this requirement in accordance with law.	
11. Notwithstanding Section 26 of Chapter 703 of the Statutes of 1992, the requirement for a repayment of $120,500,000 in partial discharge of the emergency loan made pursuant to Chapter 703 is deferred for the 1993–94 fiscal year.	
6870-101-705—For local assistance, Board of Governors of the California Community Colleges for Program 20.40.040—Hazardous Substances, payable from the Higher Education Capital Outlay Bond Fund of June 1992	5,000,000
Provisions:	
1. The amount appropriated in this item is for the purpose of abating asbestos hazards which have been categorized as "severe".	
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	87,291,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to community college districts pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	

Item	Amount
6870-101-890—For local assistance, Board of Governors of the California Community Colleges, for payment to Item 6870-101-925, payable from the Federal Trust Fund	2,900,000
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	1,081,000
Provisions:	
1. Of the amount appropriated by this item, not more than $736,000 shall be allocated for grants and not more than $345,000 shall be allocated for loans.	
6870-101-925—For local assistance, Board of Governors of the California Community Colleges, payable from the Business Resources Assistance and Innovation Network Trust Fund	0
Schedule:	
(a) Program 20.30.050-Economic Development 3,640,000	
(b) Reimbursements −740,000	
(c) Amount payable from the Federal Trust Fund (Item 6870-101-890) −2,900,000	
6870-101-959—For local assistance, Board of Governors of the California Community Colleges, for Program 20.10.060-Student Services-Foster Parent Training Program, payable from the Foster Children and Parent Training Fund pursuant to Section 903.7 of the Welfare and Institutions Code	332,000
Provisions:	
1. Notwithstanding subdivision (c) of Section 903.7 of the Welfare and Institutions Code, federal Title IV (e) funds received as reimbursements for the Foster Parent Training Program shall be deposited into the Foster Children and Parent Training Fund.	
6870-103-001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98), 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	8,967,000
6870-111-001—For local assistance, Board of Governors of the California Community Colleges	0

Item		Amount
Schedule:		
(a) 10-Apportionments	8,000,000	
(b) 20.10.060-Foster Parent Training	352,000	
(c) 20.30.030-Vocational Education Special Projects	4,824,000	
(d) 20.30.031-Vocational Education Allocations	27,468,000	
(e) 20.30.032-Gender Equity	4,085,000	
(f) 20.30.033-Technical Preparation Education	3,704,000	
(g) 20.30.060-Job Training Partnership Act	2,337,000	
(h) Reimbursements	−50,770,000	
Provisions:		
1. The amounts appropriated in Schedules (c), (d), (e), (f) and (g) shall be available for expenditure until June 30, 1995.		
6870-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of instructional facilities pursuant to Chapter 3.8 (commencing with Section 15820.50) of Part 10b of Division 3 of Title 2 of the Government Code.		263,709,000
Schedule:		
Cabrillo Community College District		
Cabrillo College		
(2) 40.06.104-Learning Resource Center—Construction	9,177,000	
Foothill-DeAnza Community College District		
DeAnza College		
(3) 40.15.104-Learning Resource Center Remodel/Expansion—Construction	7,762,000	
Glendale Community College District		
Glendale Community College		
(3.1) 40.18.114-Multiuse Laboratory Building—Construction	10,036,000	
(4) 40.18.115-Classroom/Library Addition—Construction	8,333,000	
Kern Community College District		
Bakersfield College		
(4.1) 40.22.103-New Library—Construction	10,789,000	

Item	Amount
Lake Tahoe Community College District	
Lake Tahoe Community College	
(5) 40.23.109-Instructional/Administrative Facilities, Phase II—Construction	6,615,000
Los Angeles Community College District	
Los Angeles Mission College	
(6) 40.26.402-Learning Resource Center—Construction	8,142,000
Los Angeles Southwest College	
(7) 40.26.604-Lecture Lab Building, Phase I—Construction	13,054,000
Los Rios Community College District	
Cosumnes River College	
(8) 40.27.204-Fine Arts Complex—Construction	8,021,000
Sacramento City College	
(8.1) 40.27.306-Learning Resource Center—Construction	14,592,000
Mt. San Antonio Community College District	
Mt. San Antonio College	
(8.2) 40.33.107-Performing Arts Center—Construction	13,477,000
Pasadena Area Community College District	
Pasadena City College	
(8.3) 40.39.108-Community Skills Center—Construction	11,313,000
Rancho Santiago Community College District	
Santa Ana College	
(8.4) 40.41.114-Business/Computer Building—Construction	11,933,000
Riverside Community College District	
Moreno Valley Center	
(8.5) 40.44.205-Buildings, Phase II —Construction	10,073,000
Norco Valley Center	
(8.6) 40.44.305-Buildings, Phase II —Construction	11,929,000
San Diego Community College District	
San Diego Mesa College	
(8.7) 40.47.203-Learning Resource Center—Construction	14,617,000
San Francisco Community College District	
San Francisco City College	
(8.8) 40.48.103-Library—Construction	16,690,000

Item	Amount
San Mateo County Community College District	
Skyline College	
(9) 40.52.303-Learning Resource Center—Construction	7,912,000
Sierra Joint Community College District	
Sierra College	
(9.1) 40.58.104-Learning Resource Center—Construction	14,469,000
Western Nevada Center	
(9.2) 40.58.204-Buildings, Phase I—Construction	10,794,000
State Center Community College District	
Fresno City College	
(10) 40.64.101-Allied Health/Public Services Complex—Construction	7,061,000
(11) 40.64.102-Library/Media Addition—Construction	6,110,000
Ventura County Community College District	
Moorpark College	
(12) 40.65.106-Math/Science Building—Construction	6,344,000
Ventura College	
(12.1) 40.65.302-Mathematics/Science Complex—Construction	10,956,000
Victor Valley Community College District	
Victor Valley Community College	
(13) 40.66.105-Learning Resource Center—Construction	6,572,000
(14) 40.66.107-New Science Building —Construction	6,938,000
Provisions:	
1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve fund and the cost of issuance of permanent financing.	
6870-301-705—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors of the California Community Colleges to community college districts, for expenditure by these districts as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1992	156,613,000

Item	Amount
Schedule:	
Allan Hancock Joint Community College District	
Allan Hancock College	
(1) 40.02.110-Architectural Barrier Removal—Construction	165,000
Lompoc Valley Center	
(2) 40.02.200-Off-Site Development—Preliminary plans and working drawings	387,000
(3) 40.02.201-On-Site Development—Preliminary plans and working drawings	434,000
(4) 40.02.202-Phase I, Facilities—Preliminary plans and working drawings	726,000
Antelope Valley Community College District	
Antelope Valley College	
(4.1) 40.03.105-Applied Arts Building—Construction	8,393,000
(5) 40.03.107-Site Safety Improvements—Preliminary plans and working drawings	193,000
(6) 40.03.108-Remodel Old Library—Construction	1,168,000
(6.1) 40.03.110-Architectural Barrier Removal—Preliminary plans and working drawings	60,000
Cabrillo Community College District	
Cabrillo College	
(7) 40.06.105-Photography Lab—Construction	2,049,000
(7.1) 40.06.106-Architectural Barrier Removal—Preliminary plans and working drawings	448,000
Cerritos Community College District	
Cerritos College	
(8) 40.07.106-Remodel for Efficiency, Phase II—Construction	2,185,000
Chabot-Las Positas Community College District	
Chabot College	
(9) 40.62.104-Humanities Building Remodel—Construction	2,269,000
(10) 40.62.106-Secondary Effects, Print Shop/Faculty Offices—Construction	717,000
(11) 40.62.107-Engineering Remodel/Addition—Construction	2,738,000

Item	Amount
(12) 40.62.109-Emergency Medical Services Remodel/Addition—Construction	1,471,000
(13) 40.62.110-Music Skills Center—Construction	1,672,000
(14) 40.62.111-Disabled Student Center/Renovation—Preliminary plans and working drawings	62,000
Las Positas College	
(15) 40.62.204-Site Development/Infrastructure—Preliminary plans and working drawings	1,228,000
(16) 40.62.205-Science Center, Phase I—Construction	5,403,000
(16.1) 40.62.210-Architectural Barrier Removal—Preliminary plans, working drawings, and construction	608,000
Citrus Community College District	
Citrus College	
(17) 40.09.103-Recording Arts Addition—Construction	4,451,000
(18) 40.09.110-Architectural Barrier Removal—Construction	1,421,000
(19) 40.09.116-Physical Science Code Corrections—Preliminary plans and working drawings	136,000
Coast Community College District	
Golden West College	
(20) 40.11.204-Health Science Demolition/Reconstruction—Construction	493,000
Orange Coast College	
(21) 40.11.305-Vocational Technology Building—Equipment	1,311,000
Compton Community College District	
Compton Community College	
(22) 40.12.001-Vocational/Technical Center—Preliminary plans and working drawings	997,000
(23) 40.12.003-Master Plan/Special Studies—Study	100,000
Contra Costa Community College District	
Contra Costa College	
(24) 40.13.104-Remodeling of Vocational Education—Construction	2,166,000

Item	Amount
Diablo Valley College	
(25) 40.13.210-Classroom/Faculty Offices—Preliminary plans and working drawings	282,000
Desert Community College District	
College of the Desert	
(26) 40.10.107-Fire Alarm Replacement—Preliminary plans, working drawings and construction	1,134,000
Feather River Community College District	
Feather River College	
(27) 40.73.102-Correction of Code Deficiencies—Preliminary plans and working drawings	54,000
Fremont-Newark Community College District	
Ohlone College	
(28) 40.16.103-Performing Arts Facility—Equipment	3,893,000
(29) 40.16.105-Remodel Lecture Halls —Construction	739,000
(30) 40.16.107-Site Safety Improvements—Preliminary plans and working drawings	828,000
Gavilan Joint Community College District	
Gavilan College	
(31) 40.17.102-Library/Media Addition—Construction	2,939,000
Grossmont-Cuyamaca Community College District	
Cuyamaca College	
(32) 40.19.113-Campus Entrance—Preliminary plans, working drawings and construction	1,212,000
Grossmont College	
(33) 40.19.204-Drama Laboratory Remodel—Construction and equipment	1,273,000
Kern Community College District	
Bakersfield College	
(34) 40.22.104-Allied Health Facility—Construction and equipment	1,900,000
(35) 40.22.106—Remodel for Electronics—Construction and equipment	631,000
Cerro Coso Community College	
(36) 40.22.212-Architectural Barrier Removal—Construction	598,000

Item	Amount
Porterville College	
(37) 40.22.304-Architectural Barrier Removal—Construction.....	1,080,000
Lassen Community College District	
Lassen College	
(37.1) 40.24.102-Architectural Barrier Removal—Preliminary plans and working drawings.....	113,000
Long Beach Community College District	
Long Beach City College	
(38) 40.25.106-Art Building Remodel/Addition—Construction	3,744,000
(38.1) 40.25.109-Architectural Barrier Removal—Preliminary plans and working drawings	100,000
Los Angeles Community College District	
Los Angeles West College	
(38.10) 40.26.903-Architectural Barrier Removal—Preliminary plans and working drawings ..	172,000
East Los Angeles College	
(38.2) 40.26.104-Architectural Barrier Removal—Preliminary plans and working drawings	224,000
Los Angeles City College	
(38.3) 40.26.202-Architectural Barrier Removal—Preliminary plans and working drawings	278,000
Los Angeles Harbor College	
(38.4) 40.26.300-Architectural Barrier Removal—Preliminary plans and working drawings	219,000
Los Angeles Mission College	
(38.5) 40.26.406-Architectural Barrier Removal—Preliminary plans and working drawings	39,000
Los Angeles Pierce College	
(38.6) 40.26.500-Architectural Barrier Removal—Preliminary plans and working drawings	290,000
Los Angeles Southwest College	
(38.7) 40.26.605-Architectural Barrier Removal—Preliminary plans and working drawings	115,000

Item	Amount
Los Angeles Trade-Technical College	
(38.8) 40.26.700-Architectural Barrier Removal—Preliminary plans and working drawings	136,000
Los Angeles Valley College	
(38.9) 40.26.800-Architectural Barrier Removal—Preliminary plans and working drawings	207,000
Los Rios Community College District	
Sacramento City College	
(39) 40.27.305-Architectural Barrier Removal—Construction	242,000
Marin Community College District	
College of Marin	
(39.1) 40.28.207-Architectural Barrier Removal—Preliminary plans and working drawings	292,000
Mendocino-Lake Community College District	
Mendocino College	
(40) 40.29.116-Fine Arts Building—Equipment	1,746,000
Merced Community College District	
Merced College	
(40.1) 40.30.105-Architectural Barrier Removal—Preliminary plans and working drawings	96,000
(41) 40.30.106-Infrastructure Corrections—Preliminary plans and working drawings	475,000
Mira Costa Community College District	
Mira Costa College	
(42) 40.31.102-Engineering, Science, English Laboratories and Offices—Equipment	2,476,000
Mt. San Jacinto Community College District	
Mt. San Jacinto College	
(43) 40.34.104-Music Building—Construction	2,185,000
Menifee Valley Center	
(44) 40.34.206-Allied Health Building —Construction	3,102,000
(45) 40.34.207-Fine Arts/Classroom Building—Construction	3,526,000

Item		Amount
North Orange County Community College District		
(45.1)	40.36.301-Districtwide: Architectural Barrier Removal—Preliminary plans and working drawings	99,000
Palomar Community College District		
Palomar College		
(46)	40.38.105-Math/Engineering Remodel—Construction	1,487,000
(47)	40.38.106-Art Facility Addition/Alteration—Construction	2,941,000
(48)	40.38.107-Music Building Remodel—Construction	532,000
(49)	40.38.108-Communication Facility Remodel—Construction	1,429,000
Pasadena Area Community College District		
Pasadena City College		
(50)	40.39.110-Library Secondary Effects—Preliminary plans and working drawings	509,000
(51)	40.39.111-Physical Education Facilities—Preliminary plans and working drawings	912,000
Peralta Community College District		
Alameda College		
(52)	40.40.101—Conversion of Spaces—Preliminary plans and working drawings	138,000
Laney College		
(52.1)	40.40.302-Architectural Barrier Removal—Preliminary plans and working drawings	146,000
Merritt College		
(52.2)	40.40.405-Architectural Barrier Removal—Preliminary plans and working drawings	257,000
Rancho Santiago Community College District		
Rancho Santiago College		
(53)	40.41.111-Architectural Barrier Removal—Construction	1,142,000
Rio Hondo Community College District		
Rio Hondo College		
(54)	40.43.103-Architectural Barrier Removal—Construction	986,000

Item	Amount
Saddleback Community College District	
Irvine Valley College	
(55) 40.45.124-Learning Resources Center—Construction	5,236,000
Saddleback College	
(55.1) 40.45.216-Architectural Barrier Removal—Preliminary plans and working drawings	116,000
San Francisco Community College District	
San Francisco City College	
(58) 40.48.105-Architectural Barrier Removal—Construction	5,506,000
San Joaquin Delta Community College District	
San Joaquin Delta College	
(59) 40.49.102-Central Plant and Utility Corridor—Construction	3,434,000
San Jose-Evergreen Community College District	
Evergreen College	
(59.1) 40.50.102-Architectural Barrier Removal—Preliminary plans and working drawings	108,000
San Jose City College	
(59.2) 40.50.202-Architectural Barrier Removal—Preliminary plans and working drawings	109,000
San Luis Obispo Community College District	
Cuesta College	
(60) 40.51.101-Allied Health Facility—Construction	1,562,000
(60.1) 40.51.105-Architectural Barrier Removal—Preliminary plans and working drawings	84,000
(61) 40.51.107-Fire Safety System Upgrade—Preliminary plans, working drawings and construction	303,000
San Mateo County Community College District	
Districtwide	
(62) 40.52.002-Fire Alarm Renovation —Preliminary plans, working drawings and construction	336,000
San Mateo College	
(63) 40.52.202-Library/LRC Seismic Upgrade/Architectural Barrier/Asbestos Removal—Preliminary plans, working drawings and construction	3,835,000

Item	Amount
(64) 40.52.203-Colonnades/Seismic Upgrade Campuswide—Preliminary plans, working drawings and construction	493,000
Santa Clarita Community College District	
College of the Canyons	
(65) 40.54.103-Library—Construction.	5,566,000
(66) 40.54.104-Fine/Applied Arts Building—Construction	5,867,000
(67) 40.54.108-Fire Safety Access and Utility Upgrade—Preliminary plans and working drawings	272,000
Sequoias Community College District	
College of the Sequoias	
(68) 40.56.104-Fine Arts/Mathematics Building—Construction	4,497,000
(68.1) 40.56.107—Child Care/Development Center—Acquisition, preliminary plans, working drawings, construction, and equipment	2,597,000
Sierra Joint Community College District	
Sierra College	
(69) 40.58.102-Architectural Barrier Removal—Construction	499,000
(70) 40.58.103-Home Economics Remodel/Addition—Construction	714,000
Solano Community College District	
Solano Community College	
(71) 40.60.102-Child Care/Development Facility—Construction	1,568,000
(72) 40.60.103-Instruction Building Remodel, Secondary Effect—Construction	478,000
Sonoma County Junior College District	
Santa Rosa Junior College	
(72.1) 40.61.102-Architectural Barrier Removal—Preliminary plans and working drawings	33,000
Los Guilicos Center	
(72.2) 40.61.301-Site Acquisition—Acquisition	2,100,000
Southwestern Community College District	
Southwestern College	
(73) 40.63.101-Library Resource Center/Music Lab Remodel—Construction and equipment	342,000

Item	Amount
Ventura County Community College District	
Districtwide	
(74) 40.65.001-Architectural Barrier Removal—Construction.....	1,689,000
Moorpark College	
(75) 40.65.103-Performing Arts Building—Equipment.....	2,276,000
Oxnard College	
(76) 40.65.205-Letters and Science Instructional Facility—Construction	5,666,000
Victor Valley Community College District	
Victor Valley Community College	
(77) 40.66.102-Indoor Physical Education Facility—Equipment.....	203,000
(78) 40.66.106-Technology Building—Construction	1,885,000
(79) 40.66.111-Central Plant/Utility System Upgrade—Preliminary plans, working drawings and construction	2,740,000
(80) 40.66.112-Elevator Tower/Architectural Barrier Removal—Preliminary plans, working drawings and construction	1,730,000
West Hills Community College District	
(80.1) 40.67.001-Districtwide: Architectural Barrier Removal—Preliminary plans and working drawings.....	85,000
Mission College	
(80.5) 40.69.204-Architectural Barrier Removal—Preliminary plans and working drawings.....	105,000
West Valley-Mission Community College District	
West Valley College	
(81) 40.69.103-Microcomputer Center—Construction.....	1,397,000
(81.1) 40.69.104-Architectural Barrier Removal—Preliminary plans and working drawings	277,000
Yosemite Community College District	
Modesto Junior College	
(82) 40.70.207-Architectural Barrier Removal—Construction.....	982,000

Item		Amount
Yuba Community College District		
Yuba College		
(83) 40.71.104-Applied Arts Remodeling—Construction	1,554,000	
Provisions:		
1. The funds appropriated in Schedule (32) shall be contingent upon the completion of either (a) an indoor/outdoor recreation facility of (b) a temporary one-acre community recreation field with sprinkler system without the use of state funds.		
6870-301-785—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1988		851,000
Schedule:		
San Francisco Community College District		
San Francisco City College		
(1) 40.48.103-Library Building—Working drawings	851,000	
6870-301-791—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1990		3,734,000
Schedule:		
Chabot-Las Positas Community College District		
Las Positas College		
(1) 40.62.209-Learning Resource Center/Secondary Effects—Equipment	324,000	
Kern Community College District		
Cerro Coso Community College		
(2) 40.22.211-Outdoor Physical Education Facilities—Equipment	205,000	
Los Angeles Community College District		
Los Angeles Southwest College		
(3) 40.26.601-Technical Education Building—Equipment	566,000	
West Los Angeles College		
(4) 40.26.902-Aerospace Complex—Equipment	1,616,000	

Item Amount

Los Rios Community College District
Placerville Center
(5) 40.27.403-Instruction/Administration Facility—Equipment 176,000
Mt. San Antonio Community College District
Mt. San Antonio College
(6) 40.33.107-Student Services Center—Equipment..... 204,000
Santa Clarita Community College District
College of the Canyons
(7) 40.54.101-Remodel for Efficiency—Equipment..... 643,000

6870-485—Reappropriation (Proposition 98), Board of Governors of the California Community Colleges. The sum of $35,000,000 is reappropriated from the Proposition 98 Reversion Account, for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund, for the purpose of apportionments.

6870-490—Reappropriation, Board of Governors of the California Community Colleges. The balances of the appropriations identified in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations:

660—Public Building Construction Fund
Item 6870-301-660, Budget Act of 1990, as reappropriated by Item 6870-491, Budget Act of 1991, and Item 6870-490, Budget Act of 1992
Los Angeles Community College District
Los Angeles Southwest College
(3) 40.26.602-Indoor Physical Education Facilities—Working drawings and construction.
Item 6870-301-660, Budget Act of 1991, as reappropriated by Item 6870-490, Budget Act of 1992
Peralta Community College District
District Center
(24) 40.40.602-D.P./Warehouse Seismic Upgrade—Preliminary plans, working drawings, construction and equipment.

791—1990 Higher Education Capital Outlay Bond Fund
Item 6870-301-791, Budget Act of 1991, as reappropriated by Item 6870-490, Budget Act of 1992
Contra Costa Community College District
Contra Costa College
(9) 40.13.102-Hazardous Chemical Storage—Pre-

Item	Amount
liminary plans, working drawings, and construction.	
Peralta Community College District	
District Center	
(18) 40.40.601-Conroy Maintenance Seismic Upgrade—Preliminary plans, working drawings, construction and equipment.	
Saddleback Community College District	
Saddleback College	
(20) 40.45.211-Reclaimed Irrigation System—Preliminary plans, working drawings, and construction.	
Yuba Community College District	
Yuba College	
(30) 40.71.103-Architectural Barrier Removal—Preliminary plans, working drawings, and construction.	
705—Higher Education Capital Outlay Bond Fund of 1992	
Item 6870-301-705, Budget Act of 1992	
Barstow Community College District	
Barstow College	
(7) 40.04.101-Architectural Barrier Removal—Preliminary plans, working drawings, and construction.	
(8) 40.04.102-Public Safety (Flood Control Channel)—Preliminary plans, working drawings, and construction.	
Contra Costa Community College District	
Contra Costa College	
(30.1) 40.13.101-Architectural Barrier Removal—Preliminary plans, working drawings, and construction.	
Diablo Valley College	
(31.1) 40.13.212-Architectural Barrier Removal—Preliminary plans, working drawings, and construction.	
Foothill-DeAnza Community College District	
DeAnza College	
(33) 40.15.104-Learning Resource Center—Preliminary plans and working drawings.	
Foothill College	
(34) 40.15.204-Architectural Barrier Removal—Preliminary plans, working drawings, and construction.	

Item	Amount
Gavilan Joint Community College District	
Gavilan College	
(35.1) 40.17.101-Architectural Barrier Removal—Preliminary plans, working drawings, and construction.	
Glendale Community College District	
Glendale Community College	
(40) 40.18.115—Classroom/Library Addition—Preliminary plans and working drawings.	
Grossmont-Cuyamaca Community College District	
Cuyamaca College	
(43) 40.19.204-Drama Laboratory Remodel—Preliminary plans and working drawings.	
Kern Community College District	
Cerro Coso College	
(45) 40.22.212-Architectural Barrier Removal—Preliminary plans and working drawings.	
Los Angeles Community College District	
Los Angeles Southwest College	
(58) 40.26.603-Main Building Demolition—Preliminary plans, working drawings, and construction.	
Los Rios Community College District	
Placerville Center	
(63) 40.27.405-Road Improvements—Construction.	
Marin Community College District	
College of Marin	
(66) 40.28.205-Communications Program Relocation—Preliminary plans, working drawings, and construction.	
Napa Valley Community College District	
Napa Valley College	
(71.1) 40.35.103-Electrical System Upgrade—Preliminary plans, working drawings, and construction.	
Rio Hondo Community College District	
Rio Hondo College	
(82) 40.43.102-Child Care/Development Center—Construction and equipment.	
San Bernardino Community College District	
Crafton Hills College	
(87) 40.46.104-Child Care/Development Center—Construction and equipment.	

Item Amount

San Francisco Community College District
San Francisco City College
(89) 40.48.102-Central Shops and Warehouse—Construction.
Santa Monica Community College District
Santa Monica College
(98) 40.55.102-Automotive Technology Remodel—Preliminary plans, working drawings, and construction.
Sequoias Community College District
College of the Sequoias
(99) 40.56.103-Access Street Widening and Utilities Upgrade—Preliminary plans, working drawings, and construction.
Sierra Joint Community College District
Western Nevada County Center
(105) 40.58.202-Off-Site Development—Preliminary plans, working drawings, and construction.
(106) 40.58.203-On Site Development—Preliminary plans, working drawings, and construction.
Sonoma County Community College District
Santa Rosa College
(111) 40.61.101-Child Care/Development Center—Construction and equipment.
Ventura County Community College District
Ventura College
(119) 40.65.302-Math and Science Complex—Preliminary plans and working drawings.

6870-491—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, the amounts in the following citations are reappropriated as specified:

001—General Fund

(1) Item 6110-196-001, Budget Act of 1991: $6,300,000 for the purpose of apportionments, for transfer by the Controller during the 1993–94 fiscal year to Section B of the State School Fund.
(2) Item 6870-103-001, Budget Act of 1991: $112,000 for transfer to Item 6870-111-001, Budget Act of 1992, to reimburse the Foster Parent Training Program.

Item		Amount
6870-495—Reversion, Board of Governors of the California Community Colleges. As of June 30, 1993, the unencumbered balances, or portion thereof as specified in this item, in each of the appropriations identified in the following citations shall revert to the fund balance of the fund from which the appropriation was made:		
Item 6870-301-660, Budget Act of 1990		
660—Public Building Construction Fund		
San Francisco Community College District		
San Francisco City College		
(8) 40.48.103-Library—Construction.		
Item 6870-301-660, Budget Act of 1991		
660—Public Building Construction Fund		
Citrus Community College District		
Citrus College		
(4) 40.09.108-Physical Science Remodel—Preliminary plans, working drawings, construction and equipment.		
Item 6870-301-705, Budget Act of 1992		
705—Higher Education Capital Outlay Bond Fund of 1992		
Sonoma County Junior College District		
Los Guilicos Center		
(109) 40.61.301-Site Acquisition—Acquisition.		
6880-001-305—For support of Council for Private Postsecondary and Vocational Education		3,175,000
Schedule:		
(a) 10-Oversight and Approval	3,175,000	
(b) 20.10-Administration	1,200,000	
(c) 20.20-Administration—Distributed	−1,200,000	
6880-001-890—For support of Council for Private Postsecondary and Vocational Education, Program 10—Oversight and Approval		1,177,000
7980-001-001—For support of the Student Aid Commission		3,169,000
Schedule:		
(a) 15-Financial Aid Grants Program	3,230,000	
(b) 50-California Loan Program	28,143,000	
(c) 80.01-Administration and Support Services	6,329,000	
(d) 80.02-Distributed Administration and Support Services	−6,329,000	
(e) Reimbursements	−61,000	

Item	Amount
(f) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951)	—28,143,000

Provisions:

1. Effective January 1, 1994, of the amount appropriated in Schedule (a), $75,000 is for administrative costs related to the California Work-Study and Community Service Program. The availability of these funds to be expended for this purpose is contingent upon the enactment of legislation establishing the California Work-Study and Community Service Program.

7980-001-951—For support of the Student Aid Commission, for payment to Item 7980-001-001, payable from the State Guaranteed Loan Reserve Fund... 28,143,000

Provisions:

1. Notwithstanding any other provision 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.

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..... 322,941,000

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..... 324,000,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize the creation of deficiencies for the purposes of this item. The Department of Finance shall notify in writing the Chairperson of the Joint Legislative Budget Committee of any deficiencies no later than 10 days after the effective date of the authorization.

Item Amount

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 United States Secretary of Education, eligible lenders, collection contractors, the State Guaranteed Student Loan Processing Contractor, and the County Clerk of Sacramento or any other county, 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 (c) payment of reinsurance fees; (2) payment to contracted collection agencies for services provided; (3) refund of (a) student loan insurance premiums due lenders on canceled loans, (b) student borrower overpayments, or (c) collections made in error; and (4) payment of court filing fees in order to initiate civil suits against borrowers for repayment of defaulted student loans in accordance with Education Code Sections 69731.1–69763.4.

7980-101-001—For local assistance, Student Aid Commission..... 200,267,000

Schedule:

(a) 15-Financial Aid Grants Program. 214,624,000
(b) Reimbursements..... −1,010,000
(c) Amount payable from the Federal Trust Fund (Item 7980-101-890) ..−13,347,000

Provisions:

1. Funds appropriated in Schedule (a) are for the purposes of all of the following:
   (a) For awards in the Cal Grant Program under the provisions of Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of the Education Code.
   (b) For graduate fellowship awards under the provisions of Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of the Education Code.
   (c) For grants under the provisions of Article 16 (commencing with Section 69900) of Chapter 2 of Part 42 of the Education Code, and

Item Amount

for grants under the provisions of Section 4709 of the Labor Code.

(d) For CAL-SOAP contract agreements under the provisions of Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code.

(e) For the purchase of loan assumptions under the provisions of Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code.

(f) For grants under the provisions of California State Work-Study Program, Article 18 (commencing with Section 69950) of Chapter 2 of Part 42 of the Education Code.

(g) For new and renewal Cal Grant awards in amounts not to exceed award levels comparable to those in effect for the 1992–93 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 1993–94 fiscal year, 500 grants shall be awarded to community college students who transfer to a four-year college or university.

3. Notwithstanding any other provisions of law, of the 12,250 new grants funded in Schedule (a) for Cal Grant B for the 1993–94 fiscal year, 250 grants shall be awarded to community college students who transfer to a four-year college or university.

4. If federal trust funds for the 1993–94 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-per-dollar basis.

5. 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 $63,000 for the purposes of determining recipients for the 1993–94 award year.

7980-101-890—For local assistance, Student Aid Commission, for payment to Item 7980-101-001, payable from the Federal Trust Fund 13,347,000

Item		Amount
7980-101-951—For local assistance, Student Aid Commission, for student counseling in conjunction with the Cal-SOAP program		73,000

GENERAL GOVERNMENT

8100-001-001—For support of Office of Criminal Justice Planning		3,327,000
Schedule:		
(a) 20.01-Administration	1,914,000	
(b) 20.02-Distributed Administration	−1,914,000	
(c) 50-Criminal Justice Projects	7,820,000	
(cx) Unallocated reduction	−587,000	
(d) Reimbursements	−451,000	
(e) Amount payable from Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-241)	−58,000	
(f) Amount payable from Victim/Witness Assistance Fund (Item 8100-001-425)	−1,376,000	
(g) Amount payable from the Federal Trust Fund (Item 8100-001-890)	−2,021,000	
8100-001-241—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Local Public Prosecutors and Public Defenders Training Fund		58,000
Provisions:		
1. Notwithstanding any other provisions of law restricting the costs of administering individual programs, the full amount of this appropriation may be used by the Office of Criminal Justice Planning for administrative costs.		
8100-001-425—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Victim/Witness Assistance Fund		1,376,000
8100-001-890—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Federal Trust Fund		2,021,000
8100-011-241—For transfer by the Controller, notwithstanding any other provision of law, from the Local Public Prosecutors and Public Defenders Training Fund to the General Fund		(142,000)
8100-101-001—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects		21,775,000

Item	Amount
Schedule:	
(a) 50.20.151-Domestic Violence Program	1,440,000
(b) 50.20.102-Victims Legal Resources Center	173,000
(c) 50.30.501-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	923,000
(d) 50.20.152-Family Violence Prevention	194,000
(e) 50.30.651-Suppression of Drug Abuse in Schools Program	3,774,000
(f) 50.30.661-California Gang Violence Suppression Program	4,631,000
(fx) 50.30.671-San Francisco and San Diego Midnight Basketball Program	100,000
(g) 50.20.351-Homeless Youth Project	883,000
(h) 50.30.512-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	3,987,000
(i) 50.30.513-Major Narcotic Vendors Prosecution Program	2,641,000
(j) 50.30.521-Child Sexual Assault Prosecution Program	1,304,000
(k) 50.30.541-Public Prosecutors and Public Defenders	29,000
(*l*) 50.20.354-Child Sexual Abuse Prevention and Training	672,000
(m) 50.30.511-California Career Criminal Apprehension Program	2,308,000
(n) 50.20.352-Youth Emergency Telephone Referral	203,000
(o) 50.30.531-Vertical Defense	692,000
(p) 50.30.514-Serious Habitual Offender	547,000
(q) Reimbursements	−2,726,000

Provisions:

1. The amount appropriated in Schedule (h) shall only be awarded to local governmental entities which provide a minimum 10 percent local cash

Item Amount

match for the state General Fund amount allocated.

2. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to twenty-five (25) percent of grants funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.

8100-101-196—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects 125,000

Provisions:

1. Notwithstanding any other provision of law, of the amount appropriated in this item, $62,500 shall be available for training for public prosecutors and $62,500 shall be available for public defenders.

8100-101-241—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Local Public Prosecutors and Public Defenders Training Fund 727,000

Provisions:

1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to twenty-five (25) percent 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, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Victim/Witness Assistance Fund 12,043,000

Schedule:

(a) 50.20.101-Victim/Witness Assistance Program	8,436,000
(b) 50.20.301-Rape Crisis Program	2,848,000
(c) 50.20.353-Child Sexual Abuse and Exploitation Program	759,000

Provisions:

1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may pro-

Item		Amount
vide advance payment of up to twenty-five (25) percent 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, Program 50, Criminal Justice Projects, payable from the Federal Trust Fund....		54,956,000
Schedule:		
(a) 50.20.151-Domestic Violence Program.....	1,631,000	
(b) 50.20.451-Victims of Crime Act (VOCA).....	6,757,000	
(c) 50.20.302-Rape Prevention	400,000	
(d) 50.30.701-Juvenile Justice and Delinquency Prevention.....	4,442,000	
(e) 50.30.661-Gang Violence Suppression	505,000	
(f) 50.30.551-Anti-Drug Abuse Program.....	38,589,000	
(g) 50.30.552-Anti-Drug Abuse Marijuana Suppression Program	2,632,000	
Provisions:		
1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to twenty-five (25) percent 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.		
8100-111-001—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the General Fund.....		2,850,000
Schedule:		
(a) 50.20.101-Victim/Witness Assistance Program.....	1,705,000	
(b) 50.20.301-Rape Crisis Program.....	923,000	
(c) 50.20.353-Child Sexual Abuse and Exploitation Program.....	222,000	
Provisions:		
1. Notwithstanding any other provision of law, the Office of Criminal Justice Planning may provide advance payment of up to 25 percent of grant		

Item		Amount
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.		
8100-490—Reappropriation, Office of Criminal Justice Planning. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citations is reappropriated for support of the Los Angeles Area Hope in Youth Campaign, and shall be available for encumbrance and expenditure until June 30, 1994:		
(1) Schedule (e), Item 8100-101-001, Budget Act of 1992, 50.41.020-Suppression of Drug Abuse in Schools Program.		
(2) Schedule (q) Item 8100-101-001, Budget Act of 1992, Reimbursements.		
(3) Schedule (f), Item 8100-101-890, Budget Act of 1991, 50.71.120-Federal Anti-Drug Abuse Program.		
8120-001-268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund		9,463,000
Schedule:		
(a) 10-Standards	4,448,000	
(b) 20-Training	9,029,000	
(c) 30-Peace Officer Training Reimbursement	86,000	
(d) 40.01-Administration	3,245,000	
(e) 40.02-Distributed Administration	−3,245,000	
(f) Amount payable from the Peace Officers' Training Fund (Item 8120-011-268)	−4,100,000	
8120-011-268—For support of Commission on Peace Officer Standards and Training, for payment to Item 8120-001-268, payable from the Peace Officers' Training Fund		4,100,000
Provisions:		
1. Funds are to be used for contractual services in support of local training programs, pursuant to Section 13503(c) of the Penal Code.		
2. Funds may be transferred between this item and Item 8120-101-268 to meet the needs of local training programs.		

Item	Amount
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	22,588,000

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.

8120-102-196—For transfer by the Controller from the Asset Forfeiture Distribution Fund to the General Fund	($711,000)

Provisions:

1. Notwithstanding any other provision of law, the Controller shall transfer $711,000 from the Asset Forfeiture Distribution Fund to the General Fund.

8120-102-268—For transfer by the Controller from the Peace Officers' Training Fund to the General Fund	($2,220,000)

Provisions:

1. Notwithstanding any other provision of law, the Controller shall transfer $2,220,000 from the Peace Officers' Training Fund to the General Fund.

8140-001-001—For support of State Public Defender	8,087,000

Schedule:

(a) 10-State Public Defender	8,211,000
(b) Reimbursements	−124,000

Provisions:

1. Any federal funds received by the Office of the State Public Defender as reimbursements for legal services provided for capital cases shall re-

Item		Amount
vert to the unappropriated surplus of the General Fund.		
8180-101-001—For local assistance, Payment to Counties for Costs of Homicide Trials, for payment by the State Controller		6,000,000
Provisions:		
1. This item is for payment to counties for costs 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; and (c) for expert witnesses, the hourly rate that the county generally pays for these services.		
8200-001-001—For support of Commission for Economic Development		454,000
Schedule:		
(a) 10-Commission for Economic Development	457,000	
(b) Reimbursements	−3,000	
8260-001-001—For support of California Arts Council		2,059,000
Schedule:		
(a) 10-Artists in Residence	657,000	
(b) 20-Organizational Grants	970,000	
(c) 25-Performing Arts Touring/Presenting Program	338,000	
(d) 40-Statewide Projects	492,000	
(e) 45-California Challenge Program	34,000	
(f) 50.01-Administration	1,098,000	
(g) 50.02-Distributed Administration	−1,098,000	
(h) Amount payable from the Federal Trust Fund (Item 8260-001-890)	−432,000	

Item		Amount
8260-001-890—For support of the California Arts Council, for payment to Item 8260-001-001, payable from the Federal Trust Fund		432,000
8260-101-001—For local assistance, California Arts Council for grants and subventions		9,792,000
Schedule:		
(a) 10-Artists in Residence	1,703,000	
(b) 20-Organizational Grants	6,033,000	
(c) 25-Performing Arts Touring/Presenting Program	492,000	
(d) 40-Statewide Projects	1,564,000	
Provisions:		
1. Funds appropriated for the Small and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides at least a dollar-for-dollar cash match. 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		523,000
Schedule:		
(a) 10-Artists in Residence	180,000	
(b) 20-Organizational Grants	214,000	
(c) 25-Performing Arts Touring/Presenting Program	71,000	
(d) 40-Statewide Projects	58,000	
Provisions:		
1. Any organization applying for a grant under the Large Budget Organizations element of the Organizational Grants program may not receive a grant under the Small and Mid-size Organizations element of the Organizational Grants program.		
2. Any organization applying for a grant under the Small and Mid-size Organizations element of the Organizational Grants program may not receive a grant under the Large Budget Organizations element of the Organizational Grants program.		
3. Funds appropriated for the Small and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides at least a dollar-for-dollar cash match. No matching funds shall be required for grants to individual artists.		

Item		Amount
8260-111-001—For local assistance, California Arts Council, Program 45—California Challenge Program		759,000
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, Program 10		240,000
8300-001-001—For support of Agricultural Labor Relations Board		4,057,000
Schedule:		
(a) 10-Board Administration	2,212,000	
(b) 20-General Counsel Administration	2,560,000	
(c) 30.01-Administrative Services	270,000	
(d) 30.02-Distributed Administrative Services	−270,000	
(e) Unallocated Reduction	−715,000	
8320-001-001—For support of Public Employment Relations Board		3,836,000
Schedule:		
(a) 10-Dispute Resolution	3,687,000	
(b) 20-Representation	829,000	
(c) 30.01-Administration	613,000	
(d) 30.02-Distributed Administration	−613,000	
(e) Unallocated reduction	−680,000	
8350-001-001—For support of Department of Industrial Relations		100,944,000
Schedule:		
(1) 10-Regulation of Workers' Compensation Self-Insurance Plans	2,206,000	
(2) 20-Conciliation of Employer-Employee Disputes	1,701,000	
(3) 30-Workers' Compensation Administration	74,298,000	
(4) 35-Industrial Medical Council	3,659,000	
(5) 40-The Prevention of Industrial Injuries and Deaths of California Workers	46,019,000	

Item	Amount
(6) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication	21,371,000
(7) 60-Promotion, Development, and Administration of Apprenticeship and Other On-the-Job Training	3,834,000
(8) 70-Labor Force Research and Data Dissemination	2,571,000
(9) 80-Payment of Claims, Wages, and Contingencies	23,655,000
(10) 94.01-Administration	12,432,000
(11) 94.02-Distributed Administration	−12,432,000
(12) Reimbursements	−2,474,000
(13) Amount payable from the Farm Labor Contractor's Special Account (Item 8350-001-023)	−50,000
(14) Amount payable from the Industrial Medicine Fund (Item 8350-001-079)	−1,639,000
(15) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 8350-001-216)	−175,000
(16) Amount payable from the Workplace Health and Safety Revolving Fund (Item 8350-001-222)	−1,900,000
(17) Amount payable from Workers' Compensation Administration Revolving Fund (Item 8350-001-223)	−14,892,000
(18) Amount payable from the Self-Insurance Plans Fund (Item 8350-001-396)	−2,041,000
(19) Amount payable from the Elevator Safety Inspection Account, General Fund (Item 8350-001-452)	−4,347,000
(20) Amount payable from the Pressure Vessel Inspection Account, General Fund (Item 8350-001-453)	−3,813,000
(21) Amount payable from the Garment Manufacturer's Special Account (Item 8350-001-481)	−50,000

Item		Amount
(21.1) Amount payable from the Employment Training Fund (Item 8350-001-514)		−2,800,000
(22) Amount payable from the Uninsured Employer's Account, Uninsured Employer's Fund (Item 8350-001-571)		−23,498,000
(23) Amount payable from the Federal Trust Fund (Item 8350-001-890)		−18,590,000
(24) Amount payable from the Industrial Relations Unpaid Wage Fund (Item 8350-001-913)		−884,000
(25) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 8350-015-223)		−421,000
(26) Amount payable from the Industrial Relations Unpaid Wage Fund (Labor Code Section 96.6)		−500,000
(27) Amount payable from the Asbestos Consultant Certification Fund (Government Code Sec. 13340)		−296,000
8350-001-023—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Farm Labor Contractor's Special Account		50,000
8350-001-079—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Medicine Fund		1,639,000
8350-001-216—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Relations Construction Industry Enforcement Fund		175,000
8350-001-222—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workplace Health and Safety Revolving Fund		1,900,000
Provisions:		
1. Funds appropriated in this item are for the purpose of supporting the activities of the Health and Safety Commission within the Department of Industrial Relations, as established by Chapter 892, Statutes of 1989.		

Item	Amount
8350-001-223—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workers' Compensation Administration Revolving Fund	14,892,000
8350-001-396—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Self-Insurance Plans Fund	2,041,000
8350-001-452—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Elevator Safety Inspection Account, General Fund	4,347,000
8350-001-453—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Pressure Vessel Inspection Account, General Fund	3,813,000
8350-001-481—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Garment Manufacturer's Special Account	50,000
8350-001-514—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Employment Training Fund	2,800,000
Provisions:	
1. Notwithstanding Section 1611 and Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3 of the Unemployment Insurance Code, $2,800,000 from the interest earned from money in the Employment Training Fund shall be transferred by the Controller to the Department of Industrial Relations for the support of the Division of Apprenticeship Standards.	
8350-001-571—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Uninsured Employer's Account, Uninsured Employer's Fund	23,498,000
8350-001-890—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Federal Trust Fund	18,590,000
8350-001-913—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Relations Unpaid Wage Fund	884,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated by this item shall be expended by the Department of Industrial Relations Division of Labor Standards Enforcement	

Item			Amount
to administer the Targeted Industries Partnership Program to increase enforcement and compliance in the agricultural and garment industries.			
2. It is the intent of the Legislature that the Targeted Industries Partnership Program result in increased enforcement of, and compliance by, the agricultural and garment industries regarding wages, hours, conditions of employment, licensing, registration, and child labor laws and regulations.			
3. Of the amount appropriated by this item, funds shall be available for the establishment, operation, and maintenance of a permanent, automated data base to assist division staff in its investigative and enforcement activities.			
8350-011-001—For support of Department of Industrial Relations, payable from the General Fund, for transfer to the Uninsured Employer's Account ...			18,603,000
8350-015-223—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workers' Compensation Administration Revolving Fund			421,000
8380-001-001—For support of Department of Personnel Administration			5,145,000
Schedule:			
(a) 20-Labor Relations		1,438,000	
(b) 25-Legal		1,312,000	
(c) 40.01-Administration		3,164,000	
(d) 40.02-Distributed Administration.		−3,164,000	
(e) 52-Classification and Compensation		3,149,000	
(f) 54-Benefits Administration		4,660,000	
(g) 56-Training and Development.....		1,798,000	
(h) 58-Merit Award		258,000	
(hx) Unallocated reduction.....		−908,000	
(i) Reimbursements.....		−4,447,000	
(j) Amount payable from the Flexelect Benefit Fund (Item 8380-001-821)		−713,000	
(k) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915)		−1,402,000	
8380-001-821—For support of Department of Personnel Administration, for payment to Item 8380-001-001, payable from the Flexelect Benefit Fund			713,000

Item			Amount
8380-001-915—For support of Department of Personnel Administration, for payment to Item 8380-001-001, payable from the Deferred Compensation Plan Fund			1,402,000
8385-001-001—For support of California Citizens Compensation Commission, Program 10			60,000
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			5,392,000
Schedule:			
(a) Payment of Claims		7,570,000	
(b) Support, State Compensation Insurance Fund		379,000	
(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)		−3,415,000	
Provisions:			
1. This item shall not be construed as a limitation on expenditures provided by Item 8450-001-016.			
2. The amount available from this item shall not be available for expenditure at any time that funds appropriated by Item 8450-001-016 are available for expenditure.			
3. At the end of fiscal year 1993–94, 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 payment to Item 8450-001-001, payable from the account for Subsequent Injuries Moneys, General Fund			3,415,000
Provisions:			
1. 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 Subsequent Injuries Moneys Account, which is in addition to the amount 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			

Item		Amount
these augmentations only up to the amount required for payment of the additional compensation for subsequent injuries provided by Sections 4750 through 4755 of the Labor Code.		
8460-101-001—For local assistance, Workers' Compensation Benefits for 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 Division 4 (commencing with Section 3200) 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		1,507,000
Schedule:		
(a) 10-Board of Chiropractic Examiners.....	1,537,000	
(b) Reimbursements.....	−30,000	
8510-001-264—For support of Osteopathic Medical Board of California payable from the Osteopathic Contingent Fund		480,000
Schedule:		
(a) 10-Osteopathic Medical Board of California.....	496,000	
(b) Reimbursements.....	−16,000	

Item		Amount
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		1,631,000
Schedule:		
(a) 10.01 Support	581,000	
(b) 10.02 Training	1,050,000	
8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund.		6,876,000
Schedule:		
(a) 10-California Horse Racing Board	7,186,000	
(b) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-942).	−310,000	
8550-001-942—For support of the California Horse Racing Board, for payment 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, 1994		(1,900,000)
8560-001-510—For support of California Exposition and State Fair, provided that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the California Exposition and State Fair Enterprise Fund by the California Exposition and State Fair		15,770,000
Schedule:		
(a) 100000-Personal Services	8,485,000	
(b) 300000-Operating Expenses and Equipment	8,227,000	
(c) Reimbursements	−942,000	
Provisions:		
2. The Director of Finance may authorize augmentations of up to a total of 10% of the amount available for expenditure from the California Exposition and State Fair Enterprise Fund in this item if the California Exposition and State Fair has certified in writing that there is sufficient money in the reserve of the California Exposition and State Fair Enterprise Fund to cover the augmentation.		
3. It is the intent of the Legislature that the funds made available from the appropriation made in		

Item		Amount
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.		
8560-011-191—Notwithstanding paragraph (1) of subdivision (a) of Section 19622 of the Business and Professions Code, for transfer by the Controller from the Fair and Exposition Fund to the General Fund		(265,000)
8560-301-510—For capital outlay, California Exposition and State Fair, payable from the California Exposition and State Fair Enterprise Fund		2,436,000
Schedule:		
(1) 50.01.001-Unanticipated Capital Outlay Projects—Preliminary plans, working drawings and construction	500,000	
(2) 50.01.003-Irrigation System—Construction	215,000	
(3) 50.01.004-Sound System—Construction	650,000	
(4) 50.01.011-Upgrade Utilities—Preliminary plans, working drawings, and construction	500,000	
(5) 50.10.201-Minor Projects	571,000	
Provisions:		
1. It is the intent of the Legislature to provide Cal-Expo sufficient opportunity to respond to available attractions and facility needs identified by fair goers prior to the succeeding fair. In order to accomplish this intent the funds appropriated in Category (1) of this item are to be expended only on projects which; (1) may be completed prior to the following fair opening date, (2) projects must address health safety or other conditions which would impact visitor attendance and (3) projects where no other viable temporary solution is available. Funds appropriated in Category (1) of this item are subject to Department of Finance approval prior to expenditures. Projects may not be authorized sooner than 15 days after notification in writing of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee.		
2. Of the funds appropriated in Category (2) of this item, an amount not to exceed $75,000,		

Item		Amount
which is directly attributable to in-house labor for this project, may be transferred to Category (a) of Item 8560-001-510, with the approval of Department of Finance.		
3. Of the funds appropriated in Category (3) of this item, an amount not to exceed $20,000, which is directly attributable to in-house labor for this project, may be transferred to Category (a) of Item 8560-001-510, with the approval of Department of Finance.		
4. Of the funds appropriated in Category (5) of this item, an amount not to exceed $98,000, which is directly attributable to in-house labor for minor projects, may be transferred to Category (a) of Item 8560-001-510, with the approval of Department of Finance.		
8570-001-001—For support of Department of Food and Agriculture		51,740,000
Schedule:		
(a) 20-Plant Pest and Disease Prevention	41,349,000	
(b) 25-Animal Pest and Disease Prevention/Inspection Services	19,016,000	
(c) 30-Agricultural Marketing Services	1,560,000	
(d) 40-Food and Agricultural Standards and Inspection Services	10,847,000	
(e) 50-Measurement Standards	2,489,000	
(f) 60-Financial and Administrative assistance to local fairs	2,195,000	
(g) 70.01-Executive Management and Administration Services	8,876,000	
(h) 70.02-Distributed Executive Management and Administration Services	−6,821,000	
(i) 80-General Agriculture Activities and Emergency Funding	3,778,000	
(ix) Unallocated reduction	−2,059,000	
(j) Reimbursements	−8,933,000	
(k) Amount payable from the Special Account for Capital Outlay (Item 8570-001-036)	−281,000	
(*l*) Amount payable from the Agriculture Fund (Item 8570-001-111)	−13,390,000	
(m) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-112)	−34,000	

Item		Amount
(n)	Amount payable from the Fair and Exposition Fund (Item 8570-001-191)	−1,325,000
(o)	Amount payable from the Satellite Wagering Account (Item 8570-012-192)	−298,000
(p)	Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-516)	−302,000
(q)	Amount payable from the Agriculture Building Fund (Item 8570-001-601)	−1,324,000
(r)	Amount payable from the Federal Trust Fund (Item 8570-001-890)	−3,603,000

Provisions:

1. Funds appropriated to Schedule (i) 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. In addition, notwithstanding any other provision of law, up to an additional $800,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be available for use by the Department of Food and Agriculture for emergency projects to augment Schedule (i) of this item. The Director of Food and Agriculture may expend the funds mentioned in this provision with the approval of the Director of Finance. The funds that are so appropriated are not subject to Sections 6.50, 27.00 or 28.00 of this act.
2. Funds appropriated to Schedule (1) from Item 8570-001-111 are in lieu of the appropriation provided by subdivision (a) of Section 244 of the Food and Agricultural Code. In addition, notwithstanding any other provision of law, of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code, $300,000 shall be available for use by the Department of Food and Agriculture for departmental overhead expenses.
3. The Department of Food and Agriculture shall not reduce or eliminate any funding for the Animal Damage Control program.

Item		Amount
8570-001-036—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Special Account for Capital Outlay		281,000
8570-001-111—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agriculture Fund		13,390,000
8570-001-191—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Fair and Exposition Fund		1,325,000
8570-001-516—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Harbors and Watercraft Revolving Fund		302,000
8570-001-601—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agriculture Building Fund		1,324,000
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 payment to Item 8570-001-001, payable from the Federal Trust Fund		3,603,000
8570-011-112—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agricultural Pest Control Research Account		34,000
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		(246,000)
8570-012-192—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Satellite Wagering Account		298,000
8570-101-001—For local assistance, Department of Food and Agriculture		5,322,000
Schedule:		
(a) 20-Plant Pest and Disease Prevention	5,322,000	
(b) 60-Financial and Administrative Assistance to local fairs	950,000	
(c) 80-General Agricultural Activities and Emergency Funding	383,000	
(d) Amount Payable from the General Fund (Item 8570-111-001)	−383,000	

Item	Amount
(e) Amount Payable from the Fair and Exposition Fund (Item 8570-101-191)	−950,000
8570-101-191—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001, payable from the Fair and Exposition Fund	950,000
Provisions:	
1. The funds appropriated in this item are for the following: Unemployment insurance at local fairs	950,000
2. The funds in Provision 1 (a) are appropriated for the contributions, or the cost of benefits in lieu of contributions, payable from the Fair 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 Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.	
8570-111-001—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001	383,000
Provisions:	
1. The funds in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.	
8570-301-036—For capital outlay, Department of Food and Agriculture, payable from the Special Account for Capital Outlay	189,000
Schedule:	
(2) 90.90.010-Minor Projects	189,000
8570-401—For support of the Department of Food and Agriculture: Notwithstanding any other provision of law, $2,900,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be allocated to counties in a manner prescribed by the director for pest detection/trapping programs. These funds are intended to supplement funds available for pest de-	

Item			Amount
tection/trapping in Item 8570-101-001. As a condition of receiving these funds, counties shall not reduce their level of support from any other funds for pest detection/trapping programs. Should a county decline to participate in a pest detection/trapping program, or fail to conduct the program to the state's satisfaction, the director shall reduce, by the amount that would otherwise be allocated to the county, funds available pursuant to subdivision (c) of Section 224 and other state allocations from Item 8570-101-001. These funds are hereby appropriated to the Department of Food and Agriculture for purposes of operating the pest detection/trapping programs in the counties.			
8570-402—For local assistance, Department of Food and Agriculture: Notwithstanding any other provision of law, all funds appropriated for California fairs and expositions pursuant to Business and Professions Code Sections 19622, 19627, 19627.1 and 19627.2(c) for the 1993–94 fiscal year shall be utilized for the purposes specified in Section 19630, and may be allocated by the Director of Food and Agriculture to all state designated fairs as specified in Sections 19418, 19418.1, 19418.2 and 19418.3.			
8620-001-001—For support of the Fair Political Practices Commission			1,249,000
Schedule:			
(a) 10.10-Local enforcement		530,000	
(b) 10.20-Legal, technical assistance and state enforcement		719,000	
8640-001-001—For support of Political Reform Act of 1974, the following sums are hereby appropriated to, and in augmentation of, the following agencies and officers for the administration, investigation and regulation of the political campaigns, officials, and lobbyists			2,010,000
Schedule:			
(1) 10-Secretary of State		681,000	
For transfer by the State Controller to Item 0890-001-001 as follows:			
(a) Personal Services	455,000		
(b) Operating Expenses and Equipment	226,000		
(2) 20-Franchise Tax Board		1,122,000	
For transfer by the State Controller to Item 1730-001-001 as follows:			

Item		Amount
	(c) 30-Political Reform Audit..... 1,122,000	
	(3) 30-Department of Justice..... 215,000	
	For transfer by the State Controller to Item 0820-001-001 as follows:	
	(d) 40-Criminal Law .. 79,000	
	(e) 50-Law Enforcement..... 136,000	
	(4) 40-Fair Political Practices Commission..... (3,051,000)	
	(5) Reimbursements..... −8,000	
	For transfer by the State Controller to Item 0890-001-001(d)	
8660-001-042—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the State Highway Account, State Transportation Fund.....		1,753,000
8660-001-046—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Transportation Planning and Development Account, State Transportation Fund.....		1,498,000
8660-001-412—For support of Public Utilities Commission, payable from the Transportation Rate Fund		20,556,000
Schedule:		
(a) 100000-Personal Services..... 56,609,382		
(b) 300000-Operating Expenses and Equipment..... 21,138,618		
(c) Reimbursements..... −2,637,000		
(cx) Amount payable from the State Highway Account, State Transporation Fund (Item 8660-001-042)..... −1,753,000		
(d) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046).... −1,498,000		
(e) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-461)..... −5,768,000		
(f) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462) .....−45,406,000		

Item	Amount
(g) Amount payable from the Federal Trust Fund (Item 8660-001-890)..	−130,000

Provisions:

1. The Public Utilities Commission shall prepare an audit of the rail safety program expenditures (Fund 461) and the audit shall assess the effectiveness of the program, and each of its major elements, in meeting its goals. The audit shall be completed and submitted to the Legislature by December 1, 1993.
2. The Governor shall submit to the Legislature by December 1, 1993, a plan for reorganization and reform of the Public Utilities Commission and the Energy Conservation and Development Commission, unless a statute providing for a comprehensive reorganization and reform of the two commissions has been enacted that takes effect on or before January 1, 1994.
3. Notwithstanding any other provision of law, the Director of Finance shall reduce by 7.5% the amounts appropriated in, and transferred to, this item, excluding reimbursements and federal funds, if the Governor fails to submit to the Legislature by December 1, 1993, a plan for the reorganization and reform of the California Public Utilities Commission and the California Energy Conservation and Development Commission or the Legislature fails to enact a reorganization plan by statute that takes effect on or before January 1, 1994.

8660-001-461—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund.....	5,768,000
8660-001-462—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund.....	45,406,000
8660-001-890—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Federal Trust Fund	130,000
8660-011-462—For support of Public Utilities Commission, for transfer to the General Fund, from moneys received pursuant to fine and penalty assessments and unclaimed refunds.....	(16,000,000)

Item		Amount
Provisions:		
1. Notwithstanding any other provision of law, on or before June 30, 1994, the commission shall cause the transfer to the General Fund of not less than $16,000,000, representing fines and penalties for violation of provisions of the Public Utilities Act and unclaimed refunds collected pursuant to the Public Utilities Act.		
8700-001-001—For support of State Board of Control...		828,000
Schedule:		
(a) 11-Citizens Indemnification	40,390,000	
(b) 21-Hazardous Substance Claims...	18,000	
(c) 31-Civil Claims Against the State.	828,000	
(d) 51.01-Administration	2,730,000	
(e) 51.02-Distributed Administration .	−2,730,000	
(f) Reimbursements.....	−18,000	
(g) Amount payable from the Restitution Fund (Item 8700-001-214)	−24,582,000	
(h) Amount payable from the Federal Trust Fund (Item 8700-001-890) ..	−15,808,000	
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 the 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 payment to Item 8700-001-001, payable from the Restitution Fund.....		24,582,000
Provisions:		
1. 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. The board shall include in its report on claims processed the number of claims "zero awarded" (determined to be eligible for compensation but		

Item		Amount
for which no payment has yet been issued), and the amount of expenses pending on these claims.		
8700-001-890—For support of the State Board of Control, for payment to Item 8700-001-001, payable from the Federal Trust Fund		15,808,000
8730-001-001—For support of Commission on State Finance		710,000
Schedule:		
(a) 10-Commission on State Finance.	710,000	
8780-001-001—For support of Commission on California State Government Organization and Economy		571,000
Schedule:		
(a) 10-Commission on California State Government Organization and Economy	573,000	
(b) Reimbursements	−2,000	
8800-001-001—For support of Memberships in Interstate Organizations, to be allocated by the State Controller		584,000
Schedule:		
(a) 10-Council of State Governments	151,000	
(b) 20-National Conference of State Legislatures	148,000	
(c) 30-Western States Legislative Forestry Task Force	11,000	
(d) 35-Pacific Fisheries Legislative Task Force	11,000	
(e) 40-Governmental Accounting Standards Board	35,000	
(f) 50-State and Local Legal Center	4,000	
(g) 60-National Governors' Association	70,000	
(h) 70-Council of State Policy and Planning Agencies	7,000	
(i) 80-Coastal States' Organization	5,000	
(j) 90-Western Governors' Association	15,000	
(k) 91-National Center for State Courts	127,000	
8820-001-001—For support of Commission on the Status of Women		402,000
Schedule:		
(a) 100000-Personal Services	359,000	
(b) 300000-Operating Expenses and Equipment	119,000	
(bx) Unallocated Reduction	−71,000	

Item		Amount
(c) Reimbursements	−5,000	
8830-001-001—For support of California Law Revision Commission		399,000
Schedule:		
(a) 10-Law Revision Commission	470,000	
(b) Unallocated Reduction	−71,000	
Provisions:		
1. The California Law Revision 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		92,000
8855-001-001—For support of the Bureau of State Audits, for transfer to the State Audit Fund		7,500,000
Provisions:		
1. From this appropriation, the Bureau of State Audits shall conduct an evaluation of the procedures used by the Public Employees' Retirement System (PERS) and the State Teachers' Retirement System (STRS) to determine the state's contribution to those systems for retirement. The evaluation shall consist of an analysis of the economic and noneconomic assumptions, actuarial methodology, and any other procedures used by the systems in the development of state retirement contribution rates, including an assessment of the impact of operating standards and administrative costs on the unfunded liabilities of the system. The evaluation also shall include a comparison of the systems' rate determining procedures to those of other retirement systems. Along with this evaluation, the Bureau of State Audits shall include a determination of the nature and size of any state unfunded liability in the systems and the annual state contribution necessary to fully fund the state normal costs and unfunded liability within the systems over their respective current amortization periods. The PERS and STRS shall provide whatever information is requested by the Bureau of State Audits to perform these evaluations and determinations. The Bureau of State Audits shall submit a report to the Legislature and the Governor of the evaluations and determinations		

Item		Amount
	required by this provision not later than April 1, 1994.	
8860-001-001—For support of Department of Finance. Schedule:		21,382,000
(a) 10-Annual Financial Plan	11,637,000	
(b) 20-Program and Information System Assessments	6,492,000	
(c) 30-Supportive Data	7,901,000	
(d) 40.01-Administration	3,803,000	
(e) 40.02-Distributed Administration	−3,298,000	
(f) Reimbursements	−5,153,000	

Provisions:

1. The funds appropriated in this item for 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 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 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 (JLBC) or whatever lesser time the Chair-

Item		Amount
person of the JLBC, or his or her designee may determine.		
8885-001-001—For support of Commission on State Mandates, Program 10		505,000
8885-101-001—For local assistance, Commission on State Mandates, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, Controller		39,861,000
Schedule:		
(1) 02.50.098.084—Court audits and proration of fines	0	
(2) 02.50.033.281—Victim's statements—minors	0	
(3) 02.50.139.976—Custody of minors.	3,240,000	
(4) 02.50.088.981—Lis pendens	0	
(5) 02.50.101.786—Investigations of guardianships	0	
(6) 02.50.108.882—Juvenile felony arrests	0	
(7) 02.50.126.278—Victims' statements	0	
(8) 06.90.103.280—Deaf teletype equipment	0	
(9) 06.90.133.487—CPR pocket masks	0	
(10) 08.20.046.278—Dental examinations	0	
(11) 08.20.095.276—Destruction of marijuana records	0	
(12) 08.20.120.385—Motorists' assistance	0	
(13) 08.20.091.379—Domestic violence diversion	1,036,000	
(14) 08.20.005.184—Missing persons' reports	0	
(15) 08.20.160.984—Domestic violence information	0	
(16) 08.20.108.888—Search Warrants: AIDS	778,000	
(17) 08.90.007.778—Absentee ballots	3,300,000	
(18) 08.90.039.188—Brendon Maguire Act	1,000	
(19) 08.90.045.474—Filing fees	0	

Item	Amount
(20) 08.90.049.479—Handicapped voter access	0
(21) 08.90.070.475—Registration by mail	1,228,000
(22) 08.90.101.381—Local Elections	0
(23) 08.90.140.176—Voter Registration Roll Purge	0
(24) 08.90.142.282—Permanent absent voters	282,000
(25) 08.90.160.382—Democratic presidential delegates	0
(26) 08.90.104.285—Election materials	0
(27) 08.90.045.990—Implementation of Ch. 459/90 Veto Message	5,218,000
(28) 17.30.023.874—Substandard housing	0
(29) 17.30.149.084—Business tax reporting requirements	2,976,000
(30) 22.40.114.380—Regional housing needs	0
(31) 26.60.028.279—School crossing guards	0
(32) 26.60.111.784—Airport land use	0
(33) 34.80.113.175—Mineral resource policies	0
(34) 37.20.133.076—Local coastal plans	0
(35) 42.60.045.374—Sudden infant death syndrome notices	30,000
(36) 42.60.116.381—Medi-Cal beneficiary death notices	86,000
(37) 42.60.159.788—AIDS testing	1,077,000
(38) 42.60.999.001—Pretreatment facilities	0
(39) 43.00.132.784—Short-Doyle audits	0
(40) 43.00.049.877—Coroners	88,000
(41) 43.00.064.480—Judicial proceeding	63,000
(42) 43.00.069.475—Attorney's fees	160,000
(43) 43.00.125.380—MR representation	89,000
(44) 43.00.130.480—Conservatorships	81,000
(45) 44.40.081.579—Short-Doyle case management	0
(46) 44.40.103.678—MDSO Recommitments	157,000

Item	Amount
(47) 44.40.135.285—Residential care services	0
(48) 44.40.128.685—Homeless Mentally Ill	1,000
(49) 44.40.045.990—Implementation of Ch. 459/90 Veto Message	6,129,000
(50) 54.60.999.001—Detention of minors	0
(51) 81.00.022.684—Investment reports	0
(52) 81.00.064.186—Open Meetings Act notices	2,000,000
(53) 81.00.084.583—Real property subdivision mergers	0
(54) 81.70.135.776—Guardianship/conservatorship filings	0
(55) 81.75.112.377—Adult felony restitution	0
(56) 83.50.156.882—Firefighters' cancer presumption	538,000
(57) 83.50.999.001—Personal alarm devices	0
(58) 83.50.999.002—Structural and wildland firefighters' safety clothing and equipment	0
(59) 83.80.084.578—Filipino employee surveys	0
(60) 83.80.122.083—Personnel files	0
(61) 91.00.004.887—Property taxation.	0
(62) 91.00.124.277—Senior citizens' property tax deferral	0
(63) 91.00.128.180—Involuntary lien notices	0
(64) 91.00.105.183—Mobilehome property tax deferral	0
(65) 91.00.092.187—Countywide tax rates	328,000
(66) 88.85.048.675—Test claims and reimbursement claims	2,347,000
(67) Implementation of Chapter 459, Statutes of 1990 Veto Message	8,628,000

Provisions:

1. Except as provided in Provision 2 below, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates

Item	Amount

the reimbursement of the 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. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.

2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.
3. Pursuant to Section 77203 of the Government Code, the funds provided in this item shall not be used to reimburse counties participating in the Trial Court Funding Program for any costs for court operations. The programs which involve only court operations include, but are not limited to, any of the following:
   (a) Compensation of justice court judges (Ch. 1355, Stats. 1976).
   (b) Judicial arbitration (Ch. 743, Stats. 1978).
   (c) San Francisco superior court judgeship (Ch. 1018, Stats. 1979).
   (d) Marriage mediators (Ch. 48, Stats. 1980).
   (e) Judges' per diem (Ch. 1580, Stats. 1984).
   (f) Charging documents (Ch. 1111, Stats. 1981).
   (g) Parent child counsel (Ch. 810, Stats. 1981).
   (h) Firearms Prohibition (Ch. 1562, Stats. 1984).
   (i) Assigned judges (Ch. 670, Stats. 1987).

   The programs which involve court operations, as well as other activities include, but are not limited to, the following:
   (a) MDSO Recommitments (Ch. 1036, Stats. 1978, Ch. 991, Stats. 1979).

Item Amount

(b) Guardianship/Conservatorship filings (Ch. 1357, Stats. 1976).

4. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1993–94 fiscal year:
   (a) Lis Pendens (Ch. 889, Stats. 1981).
   (b) Investigations of Guardianships (Ch. 1017, Stats. 1986).
   (c) Juvenile Felony Arrests (Ch. 1088, Stats. 1982).
   (d) Victims' Statements (Ch. 1262, Stats. 1978).
   (e) Dental examinations (Ch. 462, Stats. 1978).
   (f) Marijuana Records (Ch. 952, Stats. 1976).
   (g) Motorists' Assistance (Ch. 1203, Stats. 1985).
   (h) Missing Persons' Reports (Ch. 51, Stats. 1984, Ch. 177, Stats. 1985, Ch. 1111, Stats. 1985, Ch. 1456, Stats. 1988).
   (i) Candidate Filing Fees (Ch. 454, Stats. 1974).
   (j) School Crossing Guards (Ch. 282, Stats. 1979).
   (k) Airport Land Use (Ch. 1117, Stats. 1984).
   (*l*) Pretreatment Facilities (Title 22, CCR, Section 64435 (f)).
   (m) Detention of Minors (Title 15, CCR Sections 4500–4549).
   (n) Investment Reports (Ch. 1226, Stats. 1984).
   (o) Real Property Subdivision Mergers (Ch. 845, Stats. 1983).
   (p) Employee Personnel Files (Ch. 1220, Stats. 1983).
   (q) Involuntary Lien Notices (Ch. 1281, Stats, 1980).
   (r) Victims Statements—Minors (Ch. 332, Stats. 1981).
   (s) Short-Doyle Audits—(Ch. 1327, Stats. 1984).
   (t) Short-Doyle Case Management—(Ch. 815, Stats. 1979).
   (u) Residential Care Services—(Ch. 1352, Stats. 1985).
   (cc) Local coastal plans—(Ch. 1330, Stats. 1976).
   (dd) Adult Felony Restitution—(Ch. 1123, Stats. 1977).
   (ee) Absentee Ballots—(Ch. 77, Stats. 1978).

Item		Amount
	(ff) Mineral resource policies—(Ch. 1131, Stats. 1975).	
	(gg) Court audits and proration of fines—(Ch. 980, Stats. 1984).	
	(hh) Deaf teletype equipment—(Ch. 1032, Stats. 1980).	
	(ii) CPR Pocket Masks—(Ch. 1334, Stats. 1987).	
	(kk) Domestic violence information—(Ch. 1609, Stats. 1984).	
	(*ll*) Handicapped voter access—(Ch. 494, Stats. 1979).	
	(mm) Local elections—(Ch. 1013, Stats. 1981).	
	(nn) Voter Registration Roll Purge—(Ch. 1401, Stats. 1976).	
	(oo) Democratic presidential delegates—(Ch. 1603, Stats. 1982, Ch. 8, Stats. 1988).	
	(pp) Election materials—(Ch. 1042, Stats. 1985).	
	(qq) Substandard housing—(Ch. 238, Stats. 1974).	
	(rr) Regional housing needs—(Ch. 1143, Stats. 1980).	
	(ss) Guardianship/conservatorship filings—(Ch. 1357, Stats. 1976).	
	(tt) Personal alarm devices—(8 Cal. Code Regs. Section 3401(c)).	
	(uu) Structural and wildland firefighters safety clothing and equipment—(8 Cal. Code Regs. Sections 3401–3410).	
	(vv) Filipino employee surveys—(Ch. 845, Stats. 1978).	
	(ww) Property taxation—(Ch. 48, Stats. 1987).	
	(xx) Senior citizens tax deferral—(Ch. 1242, Stats. 1977).	
	(yy) Mobilehome property tax deferral—(Ch. 1051, Stats. 1983).	
8885-111-001—For local assistance, Commission on State Mandates, (Proposition 98), 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, Controller		136,214,000
Schedule:		
(1) 19.00.079.980—Increased death benefits	619,000	

Item		Amount
(2)	19.00.103.679—Increased benefits.	2,698,000
(3)	19.00.117.078—Increased pension.	9,281,000
(4)	19.00.139.874—Retirement—Unused sick leave	2,561,000
(5)	61.00.049.800—Expulsion reports	420,000
(6)	61.00.049.801—Graduation Requirement	2,872,000
(7)	61.00.049.802—Notification of Truancy	2,778,000
(8)	61.00.049.883—Teacher evaluators.	646,000
(9)	61.00.064.186—Open Meetings Act	382,000
(10)	61.00.089.477—Proficiency in Basic Skills	5,635,000
(11)	61.00.096.175—Collective bargaining	25,657,000
(12)	61.00.101.184—Juvenile court records	45,000
(13)	61.00.110.784—Removal of Chemicals	3,078,000
(14)	61.00.117.677—Immunization records	1,954,000
(15)	61.00.125.375—Expulsion of pupils—Transcripts	6,000
(16)	61.00.134.780—Scoliosis screening	1,077,000
(17)	61.00.137.687—Credential monitoring	646,000
(18)	61.00.048.675—Test claims and reimbursement claims	2,347,000
(19)	63.00.103.679—STRS rate increase	42,556,000
(20)	63.00.128.680—STRS cost-of-living adjustment	14,999,000
(21)	Implementation of Chapter 459, Statutes of 1990, Veto Message	15,957,000

Provisions:

1. Except as provided in Provisions 2, 3, and 4, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the 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. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item

Item Amount

may be used to provide reimbursement pursuant to Article 5 (commencing withSection 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.

2. The funds appropriated in Schedules 19 and 20 are for transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System for reimbursement of costs incurred pursuant to Chapter 1036 of the Statutes of 1979 and Chapter 1286 of the 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 Provisions 1 and 2. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.
4. Notwithstanding any other provision of law, the funds appropriated in Schedules 1, 2, 3 and 4 are for transfer to the Public Employees' Retirement System for reimbursement of costs incurred pursuant to Chapter 1398 of the Statutes of 1974, Chapter 1170 of the Statutes of 1978, or Chapter 1036 of the Statutes of 1979.
5. Notwithstanding any other provision of law, none of the funds appropriated in Schedule (11) may be used to reimburse costs of professional or legal consultant services incurred under contract for collective bargaining negotiations, mediation, or impasse procedures. This limitation shall not apply to school districts with an average daily attendance of 20,000 or less.

8885-112-001—For local assistance, Commission on State Mandates, (Proposition 98), 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..... 1,508,000

Item		Amount
Schedule:		
(1) 68.70.000.184—Health fee	1,508,000	
Provisions:		
1. 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 the 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. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
8910-001-001–For support of Office of Administrative Law		1,817,000
Schedule:		
(a) 10-Regulatory Oversight	2,017,000	
(b) Reimbursements	−200,000	
8915-001-890—For support of Department of Economic Opportunity, payable from the Federal Trust Fund.		7,058,000
Schedule:		
(a) 20—Energy Programs	6,256,000	
(b) 30—Special Programs	63,000	
(c) 40—Community Services	1,819,000	
(d) 50.01—Administration	2,828,000	
(e) 50.02—Distributed Administration	−2,891,000	
(f) Reimbursements	−1,017,000	
Provisions:		
1. On a federal fiscal year basis, the Department of Economic Opportunity shall make the following program allocation for the community services block grant, as a percentage of the total block grant: (a) Administration 5 percent The department shall provide the Controller with the dollar value of this allocation limit, as it relates 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 subdivision (b) of Section 16367.5 of the Government Code, the office may		

Item Amount

expend up to 7.5 percent 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 1993–94 state fiscal year, even if based on a higher, revised grant level and within the 5 percent allowed by subdivision (b) of Section 16367.5 of the Government Code, shall be approved pursuant to Section 28.00 of this act and in no event shall result in the office's state administrative costs for LIHEAP exceeding 7.5 percent of the total LIHEAP grant, PVEA funding inclusive.

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 95,826,000

Schedule:

(a) 20-Energy Programs 61,478,000

(b) 40-Community Services 34,348,000

Provisions:

1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant as a percentage of the total block grant:
   (a) Discretionary ..... 5 percent
   (b) Migrant and seasonal farm workers ..... 10 percent
   (c) Native American Indian programs ..... 3.9 percent
   (d) Community action agencies and rural community services ..... 76.1 percent

   All grantees under the community services block grant program shall be subject to standard state contracting procedures required under the program.
2. The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.
3. Funds collected by the department from energy contractors as a result of overpayments shall be

Item		Amount
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 1993–94.		
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.		
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 reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1994, as follows:		
890-Federal Trust Fund		
(a) Item 8915-101-890, Budget Act of 1992		
8940-001-001—For support of Military Department		16,569,000
Schedule:		
(a) 10-Army National Guard.....	29,753,000	
(b) 20-Air National Guard	9,141,000	
(c) 30.01-Office of the Adjutant General	4,514,000	
(d) 30.02-Distributed Office of the Adjutant General	−4,514,000	
(e) 35-Military Support to Civil Authority.....	1,300,000	
(f) 40-Military Retirement.....	2,488,000	
(i) 60-Farm and Home Loan	18,000	
(j) 71-California Innovative Military Projects and Career Training.....	1,078,000	
(k) Reimbursements.....	−1,503,000	
(*l*) Amount payable from the Armory Discretionary Improvement Fund (Item 8940-001-485)	−150,000	
(m) Amount payable from the Federal Trust Fund (Item 8940-001-890).....	−25,556,000	
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 the expenditure, or of this appropriation, would be		

Item		Amount
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.		
3. The Legislature finds that suspension of the temperature requirements greatly assisted counties in planning shelter for their homeless populations when demand is highest and local shelters are full. The Military Department is hereby authorized to operate the 1993–94 Temporary Emergency Shelter program without temperature requirements, to maximize assistance to counties and homeless persons and minimize administrative requirements.		
8940-001-485—For support of the Military Department, for payment to Item 8940-001-001, payable from the Armory Discretionary Improvement Fund.....		150,000
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 payment to Item 8940-001-001, payable from the Federal Trust Fund		25,556,000
8940-301-036—For capital outlay, Military Department, payable from the Special Account for Capital Outlay.....		8,760,000
Schedule:		
(0.5) 70.10.010-Statewide: Project planning, working drawings, and supervision of construction.....	326,000	
(0.6) 70.31.010-Lakeport: New Armory—Construction.....	778,000	
(1) 70.43.10—Long Beach/Redondo—Armory Addition—Working drawings and construction	6,401,000	
(2) 70.90.010—Statewide: Minor Projects.....	1,255,000	
8940-301-604—For capital outlay, Military Department, payable from the Armory Fund.....		75,000

Item		Amount
Schedule:		
(1) 70.45.010-Corona Armory—Site Search and Environmental Studies	25,000	
(2) 70.46.010-Los Angeles-Bridewell Armory—Site Search and Environmental Studies	25,000	
(3) 70.47.010-Orange Armory—Site Search and Environmental Studies	25,000	
8940-301-890—For capital outlay, Military Department, payable from the Federal Trust Fund		4,071,000
Schedule:		
(1) 70.10.010-Statewide: Project planning, working drawings, and supervision of construction	1,213,000	
(2) 70.31.010-Lakeport: New Armory —Construction	1,580,000	
(3) 70.90.010-Statewide: Minor Projects	1,278,000	
8940-490—Reappropriation, Military Department. 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:		
036—Special Account for Capital Outlay		
(1) Item 8940-301-036(1), Budget Act of 1992, 71.43.010-Long Beach/Redondo Beach Armory Addition—EIR, preliminary plans and working drawings.		
604—Armory Fund		
(2) Item 8940-301-604(2), Budget Act of 1992, 70.36.010-Orange Armory—Property search and environmental studies.		
(3) Item 8940-301-604(3), Budget Act of 1992, 70.37.010-Culver City Armory—Property search and environmental studies.		
(4) Item 8940-301-604(4), Budget Act of 1992, 70.38.010-Monrovia Armory—Property search and environmental studies.		
(5) Item 8940-301-604(5), Budget Act of 1992, 70.39.010-Sunnyvale Armory—Property search and environmental studies.		
890—Federal Trust Fund		
(6) Item 8940-301-890(1), Budget Act of 1992, 70.90.010-Statewide: Minor projects.		
9100-101-001—For local assistance, Tax Relief		441,138,000

Item		Amount
Schedule:		
(a) 10-Senior Citizens' Property Tax Assistance		2,268,000
(b) 20-Senior Citizens' Property Tax Deferral Program		14,500,000
(c) 30-Senior Citizen Renters' Tax Assistance		14,000,000
(d) 50-Homeowners' Property Tax Relief		365,600,000
(e) 60-Subventions for Open Space		14,400,000
(ee) 80-Renters' Tax Relief		30,000,000
(f) 90-Substandard Housing		370,000

Provisions:

1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with 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.

   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 Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code. 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 Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code.

   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 California Constitution. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to

Item Amount

Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes contained in Section 16100 or Section 16120 of the Government Code.

5. Schedule (e) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or Section 16140 of the Government Code.

5.5. Schedule (ee) is for transfer by the Controller, as needed, to the Tax Relief and Refund Account in the General Fund for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code for claims applicable to the 1992 taxable year and prior taxable years.

6. Schedule (f) is for transfer by the 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 requirement.

9210-103-001—For local assistance, Local Government Financing. For assistance to redevelopment agencies, to be allocated by the State Controller 5,000,000

Provisions:

1. The appropriation made by this item shall be in lieu of any appropriation required pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code.
2. The State Controller shall allocate funds appropriated in this item to redevelopment agencies

Item Amount

that have pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on bonds, and have demonstrated that gross tax increment revenues allocated to them in the 1992–93 fiscal year (as reported for inclusion in the State Controller's "Annual Report of Financial Transactions Concerning Community Redevelopment Agencies of California, Fiscal Year 1992–93"), less housing set-aside amounts not available for debt service, and less any reserve requirement deficiency existing as of December 31, 1993, would be insufficient to cover their maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged. The amount allocated to any redevelopment agency shall not exceed the lesser of: (a) the amount that the redevelopment agency would otherwise be entitled to receive pursuant to paragraph (3) of subdivision (c) of Section 16111 of the Government Code, or (b) the amount required by the redevelopment agency to cover its maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged, plus any reserve requirement deficiency existing as of December 31, 1993, less the amount of gross tax increment revenues allocated to it in the 1992–93 fiscal year, less housing set-aside amounts not available for debt service.

3. If the allocation required pursuant to provision 2 would exceed the amount of the appropriation in this item, the State Controller shall prorate the allocation to those redevelopment agencies which meet the requirements of provision 2.
4. Notwithstanding Section 2.00, the State Controller shall allocate 50 percent of the appropriation in this item on or before December 31, 1993, and 50 percent of the appropriation in this item on July 1, 1994. Expenditure of the amount to be allocated on July 1, 1994 shall be accounted by the State Controller as an expenditure of the 1994–95 fiscal year.

9620-001-001—For payment of interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan 75,000,000

Item Amount

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 support of Health and Dental Benefits for Annuitants. 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, and which is not chargeable to any other appropriation 316,550,000

Schedule:

(a) Health benefit premiums..... 279,095,000
(b) Dental care premiums..... 37,455,000

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.

9670-001-001—For the administration and 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..... 1,000

Provisions:

1. In the event that expenditures for purposes of Item 9670-001-001 exceed the amount appropriated in this item, the Director of Finance may

Item		Amount
	allocate sufficient amounts, not to exceed $1,200,000, from the Special Fund for Economic Uncertainties, to this item.	
	2. 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 that fund. No expenditure from any 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.	
	3. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
	4. 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.	
	5. 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, settlements, compromise, or judgment upon which the payment is based.	
	6. Funding for the payment of tort liability claims, settlements, compromises, and judgments which require the approval of the Director of Finance shall first be considered from within the affected agency, department, board, bureau, or commission's existing budgeted resources. Payment pursuant to this item (from the General Fund or funds other than the General Fund) shall be made only after the affected agency, department, board, bureau, or commision has demonstrated to the Department of Finance that insufficient funds are available for payment of all or a portion of the claim.	

Item	Amount
9673-001-373—For transfer to the Disaster Relief Fund from the San Francisco-Oakland Bay Bridge and I-880 Cypress Structure Disaster Fund, as of June 30, 1993	(19,196,000)
9800-001-001—For augmentation for Employee Compensation	132,000,000

Schedule:

(a) 10.01-Civil Service Employees—Represented	101,640,000
(b) 10.02-Civil Service Employees Nonrepresented	21,120,000
(c) 10.03-Exempt/Excluded and Other Employees	9,240,000

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 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, 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, 1993, 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 accor-

Item		Amount

dance with Section 19826 of the Government Code.

9800-001-494—For augmentation for Employee Compensation, payable from other unallocated special funds 52,000,000

Schedule:

(a) 10.01-Civil Service Employees—Represented 41,600,000

(b) 10.02-Civil Service Employees—Nonrepresented 9,360,000

(c) 10.03-Exempt/Excluded and Other Employees 1,040,000

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 and increases in benefits related thereto, 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, 1993, 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 48,000,000

Item		Amount
Schedule:		
(a) 10.01-Civil Service Employees—Represented	38,400,000	
(b) 10.02-Civil Service Employees—Nonrepresented	8,640,000	
(c) 10.03-Exempt/Excluded and Other Employees	960,000	

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 and increases in benefits related thereto, 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, 1993, 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.

9800-011-001—For augmentation for Employee compensation (Proposition 98)		2,000,000
Schedule:		
(a) 10.01-Civil Service Employees—Represented	1,540,000	
(b) 10.02-Civil Service Employees—Nonrepresented	320,000	
(c) 10.03-Exempt/Excluded and Other Employees	140,000	

Item Amount

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, 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 the General Fund, to receive any such increases provided on or after July 1, 1993, 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.

9840-001-001—For Reserve for Contingencies or Emergencies..... 1,500,000

Provisions:

1. The funds appropriated for reserve for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.
2. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as expenditures incurred in response to

Item	Amount
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 1993–94 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairperson of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.	
6. For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.	
9840-001-494—For Reserve for Contingencies or Emergencies, payable from unallocated special funds...	1,500,000

Item	Amount
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 special fund sums necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1993–94 fiscal year under the provisions of Section 11006 of the Government Code. 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 nongovernmental cost fund which is subject to control or limited by this act sums necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1993–94 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 terms and conditions for repayment as may be prescribed by the	

Item Amount

Department of Finance. 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 Chair 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, 1993, the balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1992, shall revert to the unappropriated surplus of the General Fund, special funds, and nongovernmental cost funds, respectively.

As of July 1, 1993, the amounts reverted as of June 30, 1993, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1992, are reappropriated and shall be available until June 30, 1994, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within the meaning of said items, occurring during the 1992–93 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 previ-

Item	Amount
ously, but which are anticipated to be included in the 1994–95 or 1995–96 Governor's Budget. The amount appropriated in this item shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.	
9860-301-705—For statewide capital outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospitals Grants Program, payable from the 1992 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 1993–94 fiscal year.	
9896-011-164—For transfer to the General Fund, from the Outer Continental Shelf Lands Act Section 8(g) Revenue Fund	(10,032,000)

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 the 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, 1993, 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 con-

struction, 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 the property.

Whenever herein an appropriation is made in accordance with a schedule set forth after the appropriation, the expenditures from that item for each category, program, or project included in the schedule shall be limited to the amount specified for that category, program, or project, except as otherwise provided in this act. Each 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 the 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 ac-

curate 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 these drawings.

(e) "Construction," when used in connection with a capital outlay project, shall include all such related things as fixtures, installed equipment, auxiliary facilities, contingencies, project construction, management, administration and associated costs.

(f) "Minor projects" include planning, working drawings, 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 the schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1993–94," submitted by the Governor to the Legislature at the 1993 portion of the 1993–94 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 et seq. of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The Department of Finance shall establish interpretations necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to which 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: workers' 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, 23400, and 23400.1 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 and the administrative costs associated with the provisions of these 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 and the administrative costs associated with the provisions of these 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, 23400 and 23400.1 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 provision of law, the employers' retirement contributions for the 1993–94 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 salaries and wages by state member category as follows:

Miscellaneous, First Tier	9.939%
Miscellaneous, Second Tier	5.005%
State Industrial	11.765%
State Safety	15.485%
Highway Patrol	16.940%
Peace Officer/Firefighter	15.202%

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 1993–94 fiscal year retirement benefits.

(b) Notwithstanding any other provisions of law, the Department of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the State Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other provision of law, 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 subdivisions (a) and (b) are made.
(d) Notwithstanding this section or any other provision of law, if funds remaining in the Investment Dividend Disbursement Account, the Purchasing Power Accounts, and the Extraordinary Performance Dividend Account in the Public Employees' Retirement Fund are used to reduce employer contributions pursuant to Section 20131.01 of the Government Code, funds appropriated in Items 0110-001-001 and 0120-011-001 of Section 2.00 of the Budget Act of 1993 shall not be reduced pursuant to this section or any other provision of law.

SEC. 3.90. Notwithstanding any other provision of this act, General Fund items of appropriation in this act may be reduced, as appropriate, to reflect a cumulative reduction of up to $50,000,000.

The Director of Finance shall allocate the necessary reductions to accomplish the reductions required by this section.

This section shall not apply to appropriations for the following departments:

Senate
Assembly
Legislative Counsel Bureau
Controller
Board of Equalization
Franchise Tax Board
Employment Development Department
University of California
California State University
Hastings College of the Law
California Maritime Academy
State Library
Student Aid Commission
State Department of Developmental Services (Centers)
State Department of Mental Health (Hospitals)
Department of Corrections (Institutions)
Department of the Youth Authority (Institutions)
Veterans' Home of California

The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee in writing no later than 30 days following the Director's reduction of an appropriation pursuant to this section.

SEC. 4.00. (a) Notwithstanding any other provision of law, the employer's contributions for the 1993–94 fiscal year, which are chargeable to an appropriation made in this act, with respect to each state officer and employee, including an academic position with a California State University or College, shall be $174 for basic and re-

lated major medical plans with respect to employees enrolled for self alone, or $323 for an employee so enrolled for self and one family member, or $410 for an employee 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.

(b) Notwithstanding any other provision of law, the employer's contributions for the 1993–94 fiscal year, which are chargeable to an appropriation made in this act, with respect to an annuitant, or is a survivor of such person, shall be $187 for basic and related major medical plans with respect to annuitants enrolled for self alone, or $345 for an annuitant so enrolled for self and one family member, or $431 for an 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 benefit plan or plans.

SEC. 4.20. Notwithstanding any other provision of law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22826 of the Government Code, shall be 0.5 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses.

SEC. 5.25. (a) Payment of specified attorney's 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, shall be paid from items of appropriation in this act which support the state operations of the affected agency, department, board, bureau, or commission.

(b) Expenditures authorized by subdivision (a) 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.

(c) Payments authorized by this section shall be made only for (1) 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, or for (2) writ of mandate actions filed pursuant to Section 10962 of the Welfare and Institutions Code.

(d) No payment shall be made by the Controller for expenditures pursuant to subdivision (a) except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney's fees incurred in connection with a single action.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Senate Committee on Budget and Fiscal Review, and the Chairperson of the Assembly Committee on Ways and Means pursuant to Section 27.00 of this act when there are insufficient funds appropriated in this act in support of the state operations of the affected agency, de-

partment, board, bureau, or commission to satisfy the claim completely.

SEC. 6.00. No more than $20,000 of the funds appropriated for support purposes under Section 2.00 of this act may be encumbered for preliminary plans, working drawings, or construction of any project for the alteration of a state building 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 $250,000, and any approved critical project costing more than $20,000, but not greater than $250,000, 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. 6.10. Funds included in any item of appropriation in this act that are to be expended by any department or agency to maintain state facilities or infrastructure shall not be used for any other purpose.

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 which 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 the 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 with 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 that 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 subdivision (b) 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 the agencies for federal funds under federal programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government are hereby appropriated from federal funds for expenditure or for transfer to, and disbursement from, the State Treasury Fund established for the purpose of receiving the federal assistance subject to any provisions of this act which are applicable to the expenditure of these 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 1993–94 expenditures for each program affected by

the reduction, and (c) the effect of reduced funding on service levels authorized by this act.

SEC. 8.51. Each state agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 9.10. The Supplemental Report of the Committee on Conference on the Budget Bill, that contains agreed language on statements of intent or requests for studies and that was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1993–94 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1993 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 so 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 1993 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. 9.30. In the event that federal courts issue writs of execution for the levy of state funds and such writs are executed, the State Controller shall so notify the Department of Finance. The Department of Finance shall then notify the State Controller of the specific appropriation or fund to be charged. Federal writs of execution for the levy of state funds may only be charged against appropriations or funds having a direct programmatic link to the circumstances under which the federal writ was issued. If the appropriate department or agency no longer exists, or no linkage can be identified, the federal writ shall be charged to the unappropriated surplus of the General Fund. In the event that an appropriation in the act is made deficient by such a charge, funding augmentations must follow the regular budget processes including Section 27.00 of the Budget Act. However, the 30-day notification requirement is waived for payments mandated by federal courts.

SEC. 9.50. For minor capital outlay projects for which, pursuant to Section 10108 of the Public Contract Code, the services of the Department of General Services are not required and a state agency or department is authorized to carry out its own project, the amount of

the unencumbered balance of the project shall be determined in accordance with Section 14959 of the Government Code. Upon receipt of bids for the project, an estimate of the amount necessary for the completion of the project, including supervision, engineering, and other items, if any, shall be deemed a valid encumbrance and shall be included with any other valid encumbrance in determining the amount of an unencumbered balance.

SEC. 11.50. (a) Notwithstanding any other provision of law, no allocations shall be made pursuant to subdivision (b), (c), (d), (e), or (g) of Section 6217 of the Public Resources Code for the 1993–94 fiscal year.

(b) 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 two million six hundred thousand dollars ($2,600,000) for the 1993–94 fiscal year.

(c) 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 1993–94 fiscal year.

(d) Notwithstanding any other provision of law, the sum of fifty-four million two hundred seventeen thousand dollars ($54,217,000) shall be allocated to the General Fund for the 1993–94 fiscal year from tidelands oil revenue 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. 11.60. Notwithstanding Article 12 (commencing with Section 16429.30) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, Section 25115 of the Revenue and Taxation Code, or any other provision of law, all moneys deposited in the California Unitary Fund during the 1993–94 fiscal year and all expenditures, disbursements, and transfers from the California Unitary Fund shall be budgeted and accounted for at the fund level. No expenditure, disbursement, or transfer shall be made from the California Unitary Fund except in accordance with Chapter 1558 of the Statutes of 1988 or this act.

SEC. 11.61. Notwithstanding Article 12 (commencing with Section 16429.30) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, Section 25115 of the Revenue and Taxation Code, or any other provision of law, all moneys deposited in the California Unitary Fund during the 1993–94 fiscal year shall be transferred to the General Fund on a quarterly basis.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations

limit" of thirty-six billion five hundred ninety-nine million dollars ($36,599,000,000) for the 1993–94 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the "appropriations limit" for the 1993–94 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 this special fund up to the amount stated in the Final Change Book for the 1993–94 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1993. 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.

(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, 1993, 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 for the 1993–94 fiscal year.

(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 and other related costs incurred by state or local agencies for the 1993–94 fiscal year. These allocations would be made as a result of a state of emergency proclamation by the Governor.

SEC. 12.32. (a) It is the intent of the Legislature that appropriations which are subject to Article XVI of the California Constitution be designated with the wording "Proposition 98." In the event these appropriations are not so designated, they may be designated as such by the Department of Finance where that designation is consistent with legislative intent, 30 days after notification in writing of the proposed designation to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or a lesser time that the chairperson of the joint committee, or his or her designee, determines.

(b) Notwithstanding any other provision of law, only pupils, excepting those permitted pursuant to subdivisions (a), (b), and (d) of

Section 1981 of the Education Code, who are referred by the county probation department under Section 601 or 654 of the Welfare and Institutions Code after an individualized review and certification of the appropriateness of enrollment in the county group home and institution's school or county community school, shall be enrolled and eligible for apportionments in county community schools. The individualized review shall include representatives of the court, the county department of education, the county probation department, and either the school district of residence or, in cases in which the pupil resides in a group home or institution, the school district in which the group or institution is located, and, in each case, the school district representative must agree to the appropriateness of the proposed placement and pupils so placed must have a probation officer or other appropriate designee of the probation department assigned to their case.

(c) The provision of subdivision (b) that allows an appropriate designee of the probation department, in lieu of a probation officer, to be assigned to the case of each pupil enrolled in a community school pursuant to subdivision (c) of Section 1981 of the Education Code, shall be operative only if legislation is enacted that does the following: (1) redefines, as appropriate, the types of pupils that are placed in each community school program, (2) addresses the appropriateness of limits on participation in the programs, and (3) becomes operative as of July 1, 1993.

(d) (1) Notwithstanding any other provision of law, and solely for the purpose of Section 15 of Chapter 703 of the Statutes of 1992, the Superintendent of Public Instruction shall deem each school district to have received a 1992–93 supplemental grant apportionment that is the product of the following:

(A) An amount that is the greater of the supplemental grant apportionment it received in the 1992–93 fiscal year or the average of the supplemental grant apportionments it received in the 1990–91 and 1991–92 fiscal years.

(B) The amount available for this purpose in Item 6110-230-001 of this act divided by the statewide sum of the amounts calculated in subparagraph (a).

For purposes of this calculation, categorical apportionments received by the district shall be the amounts determined at the first annual recertification for supplemental grants for the 1992–93 fiscal year, based on data submitted to the State Department of Education by school districts prior to June 30, 1993.

(2) Notwithstanding any other provision of law, each county superintendent of schools shall notify the Superintendent of Public Instruction, not later than April 15, 1994, of the manner in which each of the school districts within his or her county requests the funds received pursuant to paragraph (1) of subdivision (e) to be allocated. If any county superintendent of schools requests, for this purpose, that the funds be added to the funding a school district receives for

one or more categorical programs instead of to its base revenue limit on a per ADA basis, the Superintendent of Public Instruction shall so notify the Director of the Department of Finance not later than May 5, 1994.

(3) Notwithstanding any other provision of law, and in order to ensure an orderly transition of the supplemental grant program, the Superintendent of Public Instruction shall apportion the funds appropriated pursuant to paragraph (1) as a separate apportionment for the 1993–94 fiscal year only. The superintendent shall cite on the apportionment schedule the request for allocation made by each school district pursuant to paragraph (2). Each school district shall credit the funds received pursuant to this section to the income account code appropriate to the selection made pursuant to paragraph (2).

(4) Notwithstanding any other provision of law, commencing with the 1994–95 fiscal year and for each fiscal year thereafter, the Department of Finance shall increase the amount available in each of the categorical programs affected pursuant to paragraph (3) for allocation to each school district requesting that transfer, not to exceed the amount calculated for the district pursuant to paragraph (2).

(e) Notwithstanding Provision 18 of Item 6110-101-001 of Chapter 118 of the Statutes of 1991, the Perris Union High School District 1993–94 fiscal year loan repayment to the state, as provided by that provision, shall be deferred to the 1997–98 fiscal year.

(f) Notwithstanding any other provision of law, any advanced placement class offered by a school district at one or more schools of the district during evening hours, on weekends, or both, shall qualify for instructional minutes, subject to subdivision (a) of Section 46300 of the Education Code. The attendance of pupils at advanced placement classes offered on weekends, as described in this section, shall not be included in any computation of average daily attendance for purposes of the Education Code.

(g) Notwithstanding any other provision of law, for the purpose of calculating revenue limit apportionments pursuant to Section 42238 of the Education Code, funds received by the Hemet Unified School District pursuant to Chapter 450 of the Statutes of 1991 shall be added, in lieu of the provisions of that chapter, to the amount computed pursuant to subdivision (d) of Section 42238 of the Education Code.

SEC. 13.00. (a) Notwithstanding any other provisions of law, expenditures under Item 0160-001-001 of this act or any appropriation in augmentation of that item shall be exempt from the provisions of Chapter 7 (commencing with Section 11700) of Part 1 of, and Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of the Government Code, Division 2 (commencing with Section 1100) of the Public Contract Code, and subdivision (a) of Section 713 of Title 2 of the California Code of Regulations, and

may be expended as set forth in the Governor's Budget, or for other purposes, including expenditures for the number of positions in various classifications authorized by the Joint Rules Committee.

(b) Notwithstanding any other provisions of law, the unencumbered balances as of June 30, 1993, of the appropriations made by Items 0160-001-001 and 8840-001-001 of the Budget Act of 1992 are reappropriated and shall be available for encumbrance until June 30, 1994, for the same programs and purposes for which appropriations for these items have been made by this act.

(c) Notwithstanding any other provisions of law, all money that is received as payment for the sale of services or personal property by the agency that has not been taken into consideration in the schedule of Item 0160-001-001 or is in excess of the amount so taken into consideration is to be credited to that item and is hereby appropriated in augmentation of that item for the same programs and purposes for which appropriations for that item have been made by this act.

SEC. 13.50. (a) Notwithstanding any other provision of law, the interest earned by governmental cost funds, as determined jointly by the Controller and the Director of Finance, for the period July 1, 1993, to June 30, 1994, inclusive, shall be transferred to the unappropriated surplus of the General Fund. This subdivision shall not apply to any governmental cost funds if the use of interest from those funds for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

(b) Notwithstanding any other provision of law, upon order of the Director of Finance, the Controller shall transfer to the General Fund, from surplus money investments, pooled money investments, interest on loans to local agencies, interest on income from other loans, and income from other investments, an amount equal to the interest earned on these investments and loans. This subdivision shall not apply to any interest earned on investments and loans for which the expenditure of interest earnings for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

(c) To the extent that other provisions in this act provide for the transfer of the interest earned by governmental cost funds or on investments and loans, this section shall apply in lieu of those provisions and is intended to supersede those provisions.

SEC. 13.60. (a) Notwithstanding any other provision of law, revenues derived from the imposition of fines and penalties that are deposited in each governmental cost fund, as determined jointly by the Controller and the Director of Finance, during the period July 1, 1993, to June 30, 1994, inclusive, shall be transferred to the unappropriated surplus of the General Fund. This section shall not apply to any governmental cost fund if the use of revenues subject to this section that are deposited in any such fund for General Fund purposes

is prohibited by the California Constitution or the United States Constitution.

(b) Revenues deposited in the following accounts or funds are exempt from this section:

Code—Account or Fund

(1) 847—Asset Forfeiture
(2) 311—Traumatic Brain Injury
(3) 185—Employment Development Contingent
(4) 170—Corrections Training Fund
(5) 241—Local Public Prosecutors and Public Defenders Training
(6) 425—Victim/Witness Assistance
(7) 268—Peace Officers' Training
(8) 214—Restitution Fund

SEC. 13.70. (a) Notwithstanding any other provision of law, revenues derived from the imposition of penalties for the late payment of any fee or tax imposed on any person, firm association, organization, partnership, business trust, corporation, or company that are deposited in each governmental cost fund, as determined jointly by the Controller and the Director of Finance, during the period July 1, 1993, to June 30, 1994, inclusive, shall be transferred to the unappropriated surplus of the General Fund. This section shall not apply to any governmental cost fund if the use of revenues subject to this section that are deposited in any such fund for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

(b) Revenues deposited in the following accounts or funds are exempt from this section:

Code—Account or Fund

(1) 044—Motor Vehicle Account

SEC. 13.80. (a) Notwithstanding any other provision of law, upon order of the Director of Finance, the Controller shall transfer to the General Fund the unencumbered balance, as of June 30, 1994, of the following accounts and funds:

Code—Account or Fund

(1) 397—California State Police Fund
(2) 054—New Motor Vehicle Board Account
(3) 229—Dry Cleaning Fund
(4) 035—Surface Mining and Reclamation Account
(5) 141—Soil Conservation Fund
(6) 338—Seismic Hazards Identification Fund
(7) 398—Strong-Motion Instrumentation Special Fund
(8) 257—Earthquake Emergency Investigations Account
(9) 447—Wildlife Restoration Fund
(10) 176—Delta Flood Protection Fund

(11) 244—Environmental Water Fund
(12) 226—California Tire Recycling Management Fund
(13) 281—Recycling Market Development Revolving Loan Account
(14) 193—Waste Discharge Permit Fund
(15) 225—Environmental Protection Trust Fund
(16) 475—Underground Storage Tank Fund
(17) 482—Surface Impoundment Assessment Account
(18) 181—Registered Nurse Education Fund
(19) 070—Occupational Lead Poisoning Prevention Account
(20) 076—Tissue Bank License Fund
(21) 082—Export Document Program Fund
(22) 163—Continuing Care Provider Fee Fund
(23) 271—Residential Care Facility for the Elderly Fund
(24) 170—Corrections Training Fund
(25) 023—Farm Labor Contractors' Special Account
(26) 079—Industrial Medicine Fund
(27) 303—Asbestos Consultant Certification Fund
(28) 396—Self-Insurance Plans Fund
(29) 452—Elevator Safety Inspection Account
(30) 481—Garment Manufacturer's Special Account
(31) 124—California Agricultural Export Promotion Account
(32) 261—Off-Highway License Fee Fund
(33) 188—Energy and Resources Fund

(b) This section shall not apply to any account or fund listed in subdivision (a) if the use of the unencumbered balance in any such account or fund for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

SEC. 13.81. (a) Notwithstanding any other provision of law, upon order of the Director of Finance, the Controller shall transfer to the General Fund the unencumbered balance, as of June 30, 1994, from the following accounts and funds by the following amounts:

Code—Account or Fund	
(1) 251—Public Facilities and Local Agency Disaster Response	($969,000)
(2) 254—Street and Highway Account (NDAF)	(1,044,000)
(3) 169—California Debt Limit Allocation Committee Fund	(566,000)
(4) 215—Industrial Development Fund	(2,500,000)

(5) 282—Bay Protection and Toxic Cleanup Fund..... (198,000)
(6) 184—Benefit Audit Fund..... (4,000,000)
(7) 131—Foster Family Home and Small Family Home Insurance.... (200,000)
(8) 407—Teacher Credentials Fund... (200,000)
(9) 305—Private Postsecondary and Vocational Education Fund..... (600,000)
(10) 485—Armory Discretionary Improvement Fund..... (150,000)
(11) 117—Alcoholic Beverage Control Appeals Fund..... (320,000)
(12) 111—Agriculture Fund..... (2,000,000)

(b) This section shall not apply to any account or fund if the use of revenues subject to this section in any such account or fund for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

(c) The Director of Finance shall adjust the specified dollar amounts to be transferred pursuant to subdivision (a) to reflect changes in the reserve balance of the accounts or funds that are subject to this section as a result of transfers made by other provisions of this act so that the total amount transferred from any such account or fund pursuant to this act shall not exceed the amount specified for each such account or fund in subdivision (a).

SEC. 14.00. (a) Notwithstanding any other provision of law, if the Director of the Department of Consumer Affairs determines in writing that there is insufficient cash in a special fund under the authority of a board, commission, or bureau of the department to make one or more payments currently due and payable, he or she may order the transfer of moneys to that special fund, in the amount necessary to make the payment or payments, as a loan from a special fund under the authority of another board, commission, or bureau of the department. That loan shall be subject to all of the following conditions:

(1) No loan from a special fund shall be made that would interfere with the carrying out of the object for which the special fund was created.

(2) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than a date 18 months after the date of the loan. Interest on the loan shall be paid from the recipient fund at the rate accruing during the loan period to moneys in the Pooled Money Investment Account.

(3) The amount loaned shall not exceed the amount that the appropriate board, commission, or bureau is statutorily authorized at the time of the loan to expend during the 1993–94 fiscal year from the recipient fund.

(4) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.

(b) (1) Notwithstanding any other provision of law, the Department of Consumer Affairs, during the 1993–94 fiscal year, may order the release of moneys from the clearing account in the Consumer Affairs Fund in an amount exceeding the amount advanced to the clearing account from a special fund within the department, as a loan to make one or more payments on behalf of that special fund that are currently due and payable. To the extent that the amount of moneys currently in the clearing account is insufficient to make the payment or payments on behalf of that special fund, the department may transfer additional moneys to the clearing account from any other special fund under the authority of a board, commission, or bureau of the department to include in the loan. A loan made to a special fund under this subdivision shall be subject to all of the following conditions:

(A) The loan shall not be made if it would reduce the amount advanced to the clearing account from another special fund, or the amount contained in that special fund, as applicable, to an extent that would interfere with the carrying out of the object for which that special fund was created.

(B) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than a date 60 days after the date of the loan.

(C) The amount loaned shall not exceed the amount that the appropriate board, commission, or bureau is statutorily authorized at the time of the loan to expend during the 1993–94 fiscal year from the recipient fund.

(2) For purposes of this subdivision, the "clearing account" in the Consumer Affairs Fund is the account established in that fund, consisting of moneys advanced from the various special funds within the department, from which the Department of Consumer Affairs pays operating and other expenses of each special fund in an amount ordinarily not exceeding the amount advanced from that special fund.

(c) Commencing October 15, 1993, and every three months thereafter, the Director of the Department of Consumer Affairs shall provide a report on all loans initiated or repayments made pursuant to subdivision (a) or (b) within the preceding three-month period to the chairperson of the budget committee, and the chairperson of the appropriate legislative oversight committee, of each house of the Legislature. The quarterly report to be provided on or before October 15, 1993, pursuant to this subdivision shall address the first quarter of the 1993–94 fiscal year.

SEC. 14.95. Notwithstanding any other provision of law, the Department of Finance may reduce amounts in any appropriation item, or in any category thereof, which are for the support of State-

funded advisory bodies as determined by the Department of Finance in accordance with Section 14.95 of the 1992–93 Budget Act.

SEC. 21.50. (a) Notwithstanding any other provision of law, for the 1993–94 fiscal year, the amount of the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code as appropriated in subdivision (i) of Section 28 of Chapter 278 of the Statutes of 1991 as amended by Section 40 of Chapter 1170 of the Statutes of 1991, is hereby reduced by four million dollars ($4,000,000) from thirty-nine million dollars ($39,000,000) to thirty-five million dollars ($35,000,000). For fiscal year 1993–94, four million dollars ($4,000,000) from the Unallocated Account is appropriated to the Department of Health Services, Children's Health and Disability Prevention (CHDP) for increased caseload costs in Item 4260-111-001 ..... $4,000,000

SEC. 23.50. (a) (1) Of the funds that were appropriated by Congress in Section 204 of the federal Immigration Reform and Control Act (IRCA) of 1986 as California's allocation of federal State Legalization Impact Assistance Grant (SLIAG) funds, the sum of four hundred sixty-seven million three thousand ($467,003,000) is hereby appropriated. 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 assistance	$332,373,000
(1) AFDC and foster care.....	2,851,000
(3) SSI/SSP	51,739,000
(4) Food stamps.....	3,807,000
(5) Medi-Cal	268,069,000
(6) California children's services.	680,000
(7) County Medical Services Program	4,074,000
(8) Department of Social Services administration	193,000
(9) Department of Health Services administration	960,000
(B) All other outstanding prior claims for IRCA services.....	$134,630,000

(3) To the extent that the 1994 federal fiscal year appropriation is insufficient to fund the appropriations in this section, it is the intent of the Legislature that the funds be allocated in priority as follows:

(A) Entitlement programs in Schedule (a) (2) (A) above.

(B) Any other programs required by law or regulations.

(4) Any SLIAG education funds unexpended from previous fiscal years shall be reappropriated for education programs.

(5) Notwithstanding Section 23.50 or 28.0 of the Budget Act, of the funds received from the Federal Government under the FFY 94 appropriation, the funds will be used first to pay any undisputed prior year claims still remaining as well as administrative costs in documenting and processing such claims, except that prior year nonentitlement claims are subordinated to 1993–94 and prior year entitlement claims.

(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, provided that:

(1) 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, Section 23.50 of the Budget Act of 1988, Section 23.50 of the Budget Act of 1989, Section 23.50 of the Budget Act of 1990, Section 23.50 of the Budget Act of 1991, or Section 23.50 of the Budget Act of 1992 for any category or program in the schedule set forth for appropriation in this item.

(2) The Director of Finance may authorize the augmentation of the amount available for expenditure from SLIAG funds for program activities identified in parts (A) and (B) of the schedule set forth in subdivision (a) (2) of this section.

(3) The Director of Finance may 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 or programs within this item for the purposes stated in paragraphs (2) and (3). These transfers 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.

(5) In any situations not discussed in paragraphs (1), (2), (3), or (4), the provisions of Section 28.00 shall apply.

(c) To the maximum extent possible, programs shall use existing delivery mechanisms, funding mechanisms and service providers to deliver services or benefits to newly legalized persons.

(d) 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 newly legalized persons in each county insofar as allocation of the SLIAG 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 newly legalized persons.

(e) All SLIAG reimbursable costs shall be identified to ensure that California's allotment of federal SLIAG funds is maximized.

(f) The Health and Welfare Agency and administering departments, including, as applicable, the State Department of Education (SDE), 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.

(g) Records of services provided to newly legalized persons 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 suitable intervals. The managing departments will track the provision and cost of services to newly legalized persons.

(h) 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 cost tracking and identification systems, accounting procedures and program accountability, reimbursement claim preparation, and identification procedures for newly legalized persons. The departments shall ensure that this assistance is allowable under federal SLIAG regulations and guidelines. The departments may provide this technical assistance directly through existing programs or through contracts with individuals or organizations having expertise in program areas, and may implement this technical assistance through any of the following:

(1) Local or regional or statewide workshops.

(2) Identification of model programs.

(3) Onsite consultation.
(4) Statewide training/association activities.

EDUCATION

SEC. 24.00. For the 1993–94 fiscal year, the oil and mineral revenues from federal lands and donations that 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 Section 41304 of the Education Code, the State Controller shall transfer the unencumbered balance in the Driver Training Penalty Assessment Fund on June 30, 1993, to the General Fund.

SEC. 24.30. (a) Notwithstanding any other provision of law, the State Controller, upon order of the Director of Finance, shall transfer rental income received in the 1993–94 fiscal year pursuant to Education Code Section 17789 from the State School Building Aid Fund to the General Fund.

SEC. 24.60. (a) From the funds appropriated in Items 4300-003-814, 5460-001-831, 6110-006-814, 6110-101-814, 6440-001-814, 6600-001-814, 6860-001-814, and 6870-101-814 of this act, the Department of Developmental Services, the Department of the Youth Authority, 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 January 15, 1995, the amount of lottery funds which each entity received and the purposes for which the funds were expended in the 1993–94 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for the 1994–95 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 also shall be reported.

(b) The State Department of Education shall conduct a survey of a representative sample of 100 local educational agencies to determine the patterns of use of lottery funds in those agencies. The sample shall be drawn to include all local educational agencies over 200,000 ADA and representative local educational agencies randomly selected by size, range, type, and geographical dispersion. On or before January 15, 1994, the State Department of Education shall

report to the Legislature and the Governor the results of the survey for the 1992–93 fiscal year.

SEC. 24.70. From the funds appropriated to the Department of Education for local assistance, the department shall ensure that the expenditure of funds allocated to a Local Educational Agency (LEA), through a contract between the department and the LEA or through a grant from the department to the LEA, shall be subject to the LEA's fiscal accountability policies and procedures. If it is necessary for the LEA to establish a separate entity to complete the work scope of the contract or grant, the fiscal accountability policies and procedures for that entity shall be the same as the LEA's or amended only with the approval of the LEA's superintendent of schools and a fiscal representative of the department designated by the Director of the Department of Education. Further, the department shall have the authority to provide for an audit of the expenditures under the contract or grant between the department and the LEA to verify conformance with appropriate fiscal accountability policies and procedures. The cost of the audit, if required, shall be charged to the audited contract or grant.

VARIOUS

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 satellite wagering projects, (c) net revenue projections for individual satellite wagering projects, and (d) projected effect on net Satellite Wagering Account revenue resulting from individual satellite wagering projects and satellite wagering 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. Reporting shall only be required for satellite wagering projects funded by interim financing or long-term financing, including bond agreements.

SEC. 27.00. (a) Approval by the Department of Finance of 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, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine, except for an approval for an emergency expenditure. This notification requirement is not applicable 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 persons or property within the state.

(c) 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.

(d) 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.

(e) The Department of Finance shall provide deficiency bill updates on April 15, May 15, and June 15, 1994, to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations. Additional updates shall be provided by the Department of Finance if requested by the Legislature or as deemed necessary by the Department of Finance.

(f) The Department of Finance is authorized to augment funds for HIV-related programs to ensure compliance with the federal maintenance of effort requirement for Ryan White CARE Act Title II funding in the event that reductions pursuant to this act violate federal eligibility requirements.

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 1993–94 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 augmentations or reductions set forth in paragraphs (1) to (4), inclusive, 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. This notification requirement is not applicable to federal funds related to caseload increases in Medi-Cal, Aid to Families With Dependent Children (AFDC) and Supplemental Security Income/State Supplementary Program (SSI/SSP).

(1) Augmentations or reductions which either are (A) in excess of $100,000 or (B) are in excess of 10% of the amount available for expenditure in the affected category or program.

(2) Any other augmentations which the Director of Finance determines constitute an increase in the level of services above that authorized by this act or other existing law or are for a new program not identified in this act as such.

(3) Any other reductions which the Director of Finance determines constitute a decrease in the level of service below that authorized by this act or other existing law.

(4) Any augmentation, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor.

(d) Any personnel action which is dependent on funds subject to the provisions of this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section too late for inclusion in the Governor's Budget for the 1994–95 fiscal year shall remain in effect for the period the director may determine in each instance, but in no event after June 30, 1995.

(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 the expenditure has been 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 28.00 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. 30.00. Section 13340 of the Government Code is amended to read:

13340. (a) Except as provided in subdivision (b), on and after July 1, 1994, 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.

(b) Subdivision (a) does not apply to any of the following:

(1) The scheduled disbursement of any local sales and use tax proceeds to an entity of local government pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code.

(2) The scheduled disbursement of any transactions and use tax proceeds to an entity of local government pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code.

"(3) The scheduled disbursement of any funds by a State or local agency or department which issues bonds and administers related programs for which funds are continuously appropriated as of June 30, 1994."

SEC. 31.00. (a) 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.

(b) The fiscal year budget shall authorize in the manner which 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.

(c) 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 per month of $4,237 as of July 1, 1993. He or she shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

(d) All positions administratively established pursuant to this section during the 1993–94 fiscal year shall terminate on June 30, 1994, except for those positions which have been (a) included in the 1994–95 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1994–95 Governor's Budget submission to the Legislature. The positions set forth in (a) and (b) above may be reestablished by the Department of Finance during the 1994–95 fiscal year, provided these positions are shown in the 1995–96 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 1994–95 budget process.

(e) Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. A copy of this document shall be submitted to the Department of Finance upon request. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to the allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for expenditure except upon transfer to allotments for salaries and wages ap-

proved 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.

(f) No money in any 1993–94 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 1994–95 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 a lesser time which the chairperson of the joint committee, or his or her designee, determines.

(g) 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.

(h) 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. 31.50. (a) Notwithstanding Section 12439 of the Government Code or any other provision of law, any position funded entirely from the General Fund, which has been continuously vacant from July 1, 1992, to March 15, 1993, shall be permanently eliminated as of March 16, 1993.

(b) This section shall not apply to the following appropriations:

(1) Senate	(Item 0110-001-001)
(2) Assembly	(Item 0120-011-001)
(3) Legislative Counsel Bureau	(Item 0160-001-001)
(4) Judicial	(Items 0250-001-001, 0250-001-044, and 0250-101-001)
(5) Lieutenant Governor	(Item 0750-001-001)

(6) Department of Justice	(General Fund Items 0820-001-001 to 0820-101-460, inclusive)
(7) Controller	(General Fund Items 0840-001-001 to 0840-001-988, inclusive)
(8) Secretary of State	(General Fund Items 0890-001-001 to 0890-001-228, inclusive)
(9) State Treasurer	(Item 0950-001-001)
(10) Department of Insurance	(Items 2290-001-217, 2290-002-217, and 2290-101-217)
(11) State Board of Equalization	(General Fund Items 0860-001-001 to 0860-001-965, inclusive)
(12) Franchise Tax Board	(Item 1730-001-001)
(12-a) State Library	(Item 6120-011-001)
(13) California Postsecondary Education Commission	(Item 6420-001-001)
(14) University of California	(Items 6440-001-001, 6440-002-001, 6440-013-001, and 6440-490)
(15) Hastings College of Law	(Items 6600-001-001, 6600-013-001, and 6600-490)
(16) California State University	(Items 6610-001-001, 6610-002-001, 6610-021-001, 6610-036-001, and 6610-490)
(17) California Maritime Academy	(Items 6860-001-001 and 6860-490)
(18) Student Aid Commission	(Items 7980-001-001 and 7980-101-001)
(19) Health and Welfare	(General Fund Items 4100-001-001 to 5180-001-001, inclusive, with the exception of Item 5100-001-001)

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 these appropriations, unless the consent of the Department of Finance is first obtained, and a certificate, in

writing, is duly signed by the director of the department seeking authority for the expenditure, certifying the unavoidable necessity of the expenditure. Any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void, and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of a 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 the indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to which the 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 California Constitution, take effect immediately.

SEC. 36.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act make appropriations and contains related provisions for support of state and local government for the 1993–94 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, 1993. It is therefore necessary that this 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	3900
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	0120
Athletic Commission	1140
Attorney Fees, Payment of Specified	9810
Audits, Bureau of State	8855
Augmentation for Employee Compensation	9800
Automotive Repair, Bureau of	1150
"B"	
Banking Department, State	2140
Barbering and Cosmetology, Board of	1165
Behavioral Science Examiners, Board of	1170
Block Grants for Trial Court Funding, State	0450
Boards. See subject (e.g., Air Resources, Control, etc.)	
Boating and Waterways, Department of	3680
Business, Transportation and Housing, Secretary for	0520

Department	Organization Code
"C"	
California/Mexico Affairs, Office of	0580
California-Tahoe Conservancy	3125
Cemetery Board	1180
Certified Shorthand Reporters Board	1520
Child Development and Education, Secretary for	0558
Child Development Programs Advisory Committee	4220
Chiropractic Examiners, Board of	8500
Citizens Compensation Commission, California	8385
Coastal Commission, California	3720
Coastal Conservancy, State	3760
Colorado River Board of California	3460
Commerce (see Trade and Comerce Agency, 2920)	
Community Colleges, Board of Governors of the California	6870
Conservation, Department of	3480
Conservation Corps, California	3340
Consumer Affairs, Administrative Services	1655
Consumer Affairs, Department of	1110–1655
Consumer Services, Division of	1655
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
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 Auxiliaries, Board of	1270
Dental Examiners, Board of	1260–1270
Dentistry, Board of	1260
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, Medical Board of California	1390

Department	Organization Code
"E"	
Economic Development, Commission for	8200
Economic Opportunity, Department of	8915
Education, Department of	6110
Electronic and Appliance Repair, Bureau of	1280
Emergency Medical Services Authority	4120
Emergency Services, Office of	0690
Employment Development Department	5100
Energy Resources Conservation and Development Commission	3360
Environmental Health Hazard Assessment, Office of	3980
Environmental Protection, Secretary for	0555
Equalization, State Board of	0860
Equity Claims of Board of Control and Settlements and Judgments by Department of Justice	9670
Exposition and State Fair, 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
"H"	
Hastings College of the Law	6600
Health and Welfare, Secretary for	0530
Health and Welfare Agency Data Center	4130

Department	Organization Code
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 and Thermal Insulation, 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
Integrated Waste Management Board, California	3910
"J"	
Judges' Retirement Fund, Contributions to	0390
Judiciary	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 Agency Indebtedness Fund Loan Program	0953
Local Government Financing	9210
"M"	
Major Risk Medical Insurance Board	4280
Maritime Academy, California	6860
Medical Assistance Commission, California	4270
Medical Board of California	1390–1460
Memberships in Interstate Organizations	8800

Department	Organization Code
Mental Health, Department of	4440
Military Department	8940
Motor Vehicles, Department of	2740
Museum of Science and Industry	1100

"N"

Native American Heritage Commission	8280
Nursing Home Administrators, Board of Examiners of	1470

"O"

Occupational Information Coordinating Committee, California	6330
Office of. See subject (e.g., Emergency Services, Planning and Research, etc.)	
Optometry, Board of	1480
Osteopathic Medical Board of California	8510
Outer Continental Shelf Land Act, Section 8(G)	9896

"P"

Parks and Recreation, Department of	3790
Payment of Interest on General Fund Loans	9620
Peace Officer Standards and Training, Commission on	8120
Personnel Administration, Department of	8380
Personnel Board, State	1880
Pesticide Regulation, Department of	3930
Pharmacy, Board of	1490
Physical Therapy Examining Committee	1420
Physician's Assistant Examining Committee	1430
Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Board of	8530
Planning and Research, Office of	0650
Podiatry Examining Committee	1440
Political Reform Act of 1974	8640
Postsecondary Education Commission, California	6420
Presley Institute of Research and Training, Robert.	5770
Prison Terms, Board of	5440
Private Investigators and Adjustors	1210
Private Postsecondary and Vocational Education, Council for	6880
Professional Engineers and Land Surveyors, Board of Registration for	1500
Psychiatric Technician Program, Board of	1600

Department	Organization Code
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 Appraisers, Office of	2310
Real Estate, Department of	2320
Registered Nursing, Board of	1510
Rehabilitation, Department of	5160
Reserve for Contingencies or Emergencies	9840
Resources, Secretary for	0540
Resources Programs, Special	3110
Respiratory Care Examining Committee	1455

"S"

Salaries of Superior Court Judges	0420
San Francisco Bay Conservation and Development Commission	3820
San Francisco-Oakland Bay Bridge and I-880 Disaster Fund	9673
Santa Monica Mountains Conservancy	3810
Savings and Loan, Department of	2340
School Facilities Aid Program	6350
Secretary of State	0890
Seismic Safety Commission	3580
Senate	0110
Social Services, Department of	5180
Special Resources Programs	3110
Special Transportation Programs	2640
Speech Pathology and Audiology Examining Committee	1460
State. See subject (e.g., Controller, Treasurer, etc.)	
State and Consumer Services, Secretary for	0510
State Finance, Commission on	8730
State Mandates, Commission on	8885
Statewide Health Planning and Development, Office of	4140
Status of Women, Commission on the	8820
Stephen P. Teale Data Center	2780
Structural Pest Control Board	1530
Student Aid Commission	7980
Summer School for the Arts, California State	6255

Department	Organization Code
"T"	
Tax Allocation Committee, California	0968
Tax Preparers Program	1540
Tax Relief	9100
Teacher Credentialing, Commission on	6360
Teachers' Retirement System, State	1920
Toxic Substances Control, Department of	3960
Trade and Commerce Agency	2920
Traffic Safety, Office of	2700
Transportation, Department of	2660
Transportation Commission, California	2600
Treasurer, State	0950
"U"	
Unallocated Capital Outlay	9860
Uniform State Laws, Commission on	8840
Unitary Fund Programs	2225
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 Program	1590
"W"	
Water Resources, Department of	3860
Water Resources Control Board, State	3940
Wildlife Conservation Board	3640
Workers' Compensation Benefits for Subsequent Injuries	8450
Workers' Compensation Benefits for Disaster Service Workers	8460
World Trade Commission (see Trade and Commerce Agency, 2920)	
"Y"	
Youth and Adult Correctional Agency, Secretary for	0550
Youth Authority, Department of the	5460
Youthful Offender Parole Board	5450

INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and restrictions on the appropriations contained herein.

1.00 Budget Act Citation
1.25 Reduction of General Fund Appropriations
1.50 Intent and Format
2.00 Availability of Appropriations
3.00 Defines purposes of Appropriations
3.50 Benefit Charges against Salaries and Wages
3.60 Contribution to Public Employees' Retirement Benefits
3.90 General Fund Reductions
4.00 Health Benefits Contribution
4.20 Contribution to Public Employees' Contingency Reserve Fund
5.25 Attorneys Fees
6.00 Project alterations limits
6.10 Facilities and Infrastructure Funding
6.50 Intraschedule transfers
7.50 Appropriation Augmentations
8.50 Federal Funds Receipts
8.51 Federal Funds Accounts
9.10 Report on Supplemental Language
9.20 Administrative Costs associated with the acquisition of property
9.30 Federal Levy of State Funds
9.50 Minor Capital Outlay Projects
11.50 Transfers pursuant to Section 6217 of the Public Resources Code
11.51 Energy-related Fund Transfers
11.60 Accounting of, and Allocations from, California Unitary Fund
11.61 Unitary Fund Transfer
12.00 State Appropriations Limit (SAL)
12.30 Special Fund for Economic Uncertainties
12.32 Proposition 98 Funding Guarantee
13.00 Legislative Counsel Bureau
13.50 Transfer Interest Income from Various Special Funds to the General Fund
13.60 Transfer Fines and Penalties from Various Special Funds to the General Fund
13.70 Transfer Delinquency Fees from Various Special Funds to the General Fund
13.80 Transfer Reserve from Various Special Funds to the General Fund
13.81 Transfer Specified Amounts from Various Special Funds to the General Fund

14.00 Special fund loans between boards of the Department of Consumer Affairs
14.95 Advisory Board Reductions
21.50 Childrens Health and Disability Prevention
23.50 Immigration Reform and Control Act (IRCA)
24.00 State School Fund Allocations
24.10 Transfer Surplus of Driver Training Penalty Assessment Fund to the General Fund
24.30 Transfer School Building Rental Income to the General Fund
24.60 Report of Lottery Funds Received
24.70 Local Educational Agency Fiscal Accountability
26.60 Satellite Wagering Account
27.00 Deficiency Reporting Requirements
28.00 Program Change Notification
29.00 Personnel Year Estimates of Governor's Budget, May Revision and Final Change Book
30.00 Continuous Appropriations
31.00 Budget Act Administrative Procedures for Salaries and Wages
31.50 General Fund Vacant Positions
32.00 Prohibits Excess Expenditures
33.00 Item Veto Severability
34.00 Constitutional Severability
35.00 Provides that Budget Act is for Usual and Current Expenses
36.00 Urgency Statute
99.00 Alphabetical Organization Index
99.50 Numerical Control Section Index

CHAPTER 56

An act to repeal Section 5718 of the Business and Professions Code, to amend Sections 11201, 60200, and 69534.1 of, to repeal Section 69673 of, to repeal Article 5 (commencing with Section 33570) of Chapter 4 of Part 20 of, the Education Code, to amend Sections 10406.5, 56702, and 58101 of, and to repeal Sections 465, 56731, and 58576 of, the Food and Agricultural Code, to amend Sections 8257 and 19795 of, to add Section 8001 to, to add Chapter 11 (commencing with Section 15399.50) to Part 6.7 of Division 3 of Title 2 of, to repeal Sections 8590, 12092, 19235, 65040.9, 65913.3, 65922.3, 65922.5, 65922.7, 65923, 65923.5, and 65946 of, and to repeal Article 3 (commencing with Section 11720) of Chapter 7 of Division 3 of Title 2 of, the Government Code, to amend Sections 1901.2 and 18949.6 of, and to repeal Sections 199.57, 11780, and 11862 of, the Health and Safety Code, to amend Sections 11060 and 13854 of, and to repeal Sections 13842 and 13863 of, the Penal Code, to amend Section 4694 of, and to repeal Sections 742, 4531.5, 25447, and 25447.1 of, the Public Resources Code, and to repeal Chapter 3 (commencing with Section 10700) of Part 2 of Division 9 of the Welfare and Institutions Code, relating to state operations.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 5718 of the Business and Professions Code is repealed.

SEC. 2. Section 11201 of the Education Code is amended to read:

11201. The State Department of Education shall take a leadership role in providing school districts and county offices of education that elect to use microcomputers in school business applications with information and other material that will facilitate their use of microcomputers. In addition, the State Department of Education may make grants, not to exceed ten thousand dollars ($10,000) each, to develop microcomputer software that will assist a large number of school districts and county offices of education.

SEC. 4. Article 5 (commencing with Section 33570) of Chapter 4 of Part 20 of the Education Code is repealed.

SEC. 6. Section 60200 of the Education Code is amended to read:

60200. The state board shall adopt basic instructional materials for use in kindergarten and grades 1 to 8, inclusive, for governing boards, subject to the following provisions:

(a) The state board shall adopt at least five basic instructional materials for all applicable grade levels in each of the following categories:

(1) Language arts.

(2) Mathematics.

(3) Reading.
(4) Science.
(5) Social science.
(6) Bilingual or bicultural subjects.
(7) Any other subject, discipline, or interdisciplinary areas for which the state board determines the adoption of instructional materials to be necessary or desirable.

(b) The state board shall adopt any of the following for basic instructional materials in each subject in each grade:
(1) Instructional materials.
(2) Instructional materials systems.
(3) Instructional materials sets.
(4) A combination of instructional materials, instructional materials systems, and instructional materials sets, as the state board may select.

(c) The state board shall adopt procedures for the submission of basic instructional materials in order to comply with each of the following:
(1) Instructional materials may be submitted for adoption in any of the subject areas pursuant to subdivision (a) at least every two years so that there will be submissions in each subject consistent with the framework cycles established by the state board. The state board may prescribe reasonable conditions to restrict the resubmission of materials that have been previously rejected if those resubmitted materials have no substantive changes.
(2) Submitted instructional materials shall be adopted or rejected within six months of the submission date of the materials pursuant to paragraph (1), unless the state board determines that a longer period of time, not to exceed an additional three months, is necessary due to the estimated volume or complexity of the materials for that subject in that year, or due to other circumstances beyond the reasonable control of the state board.

(d) In reviewing and adopting or recommending for adoption submitted basic instructional materials, the state board shall use, and ensure that, in its judgment, all of the following conditions are met:
(1) The submitted basic instructional materials are consistent with the criteria and the standards of quality prescribed in the state board's adopted curriculum framework. In making this determination, the state board shall consider both the framework and the submitted instructional materials as a whole.
(2) The submitted basic instructional materials comply with the requirements of Sections 60040, 60041, 60042, 60043, 60044, 60200.5, and 60200.6, and the state board's guidelines for social content.
(3) The submitted instructional materials are factually accurate and incorporate principals of instruction reflective of current and confirmed research.
(4) The submitted instructional materials adequately cover the subject area for the grade level or levels for which they are submitted.

(5) The submitted instructional materials meet other criteria as are established by the state board as being necessary to accomplish the intent of Section 7.5 of Article IX of the California Constitution and of Section 1 of this act, provided that the criteria are approved by resolution at the time the resolution adopting the framework for the current adoption is approved, or at least 30 months prior to the date that the materials are to be approved for adoption.

(e) If basic instructional materials are rejected, the state board shall provide a specific, written explanation of the reasons why the submitted materials were not adopted, based upon one or more of the criteria established under subdivision (d). In providing this explanation, the state board may use, in whole or in part, materials written by the commission or any other advisors to the state board.

(f) The state board may adopt fewer than five basic instructional materials in each subject area for each grade level if either of the following occurs:

(1) Fewer than five basic instructional materials are submitted.

(2) The state board specifically finds that fewer than five basic instructional materials meet the criteria prescribed by paragraphs (1) to (5), inclusive, of subdivision (d), or the materials fail to meet the state board's adopted curriculum framework. In the event that the state board adopts fewer than five basic instructional materials in any subject for any grade level, the state board shall conduct a review of the degree to which the criteria and procedures used to evaluate the submitted materials for that adoption were consistent with the state board's adopted curriculum framework.

(g) Nothing in this section shall limit the authority of the state board to adopt materials that are not basic instructional materials.

(h) In the event that a district board establishes to the satisfaction of the state board that the state-adopted instructional materials do not promote the maximum efficiency of pupil learning in the district, the state board shall authorize that district board to use its instructional materials allowances to purchase materials as specified by the state board, in accordance with standards and procedures established by the state board.

(i) Consistent with the quality criteria for the state board's adopted curriculum framework, the state board shall prescribe procedures to provide the most open and flexible materials submission system and ensure that the adopted materials in each subject, taken as a whole, provide for the educational needs of the diverse pupil populations in the public schools, provide collections of instructional materials that illustrate diverse points of view, represent cultural pluralism, and provide a broad spectrum of knowledge, information, and technology-based materials to meet the goals of the program and the needs of pupils.

(j) Upon making an adoption, the state board shall make available to listed publishers and manufacturers and all school interests a listing of instructional materials, including the most current unit cost of those materials as computed pursuant to subdivision (b) of Section

60222 and Section 60223. Items placed upon lists shall remain thereon, and be available for procurement through the state's systems of financing, for a period beginning with the date of the adoption of the item and ending on a date established by the state board as being not less than 30 months after the state board's approval of the curriculum framework that will succeed the framework on which the current adoption is based. All previous adoptions shall be integrated on lists and made available by subject and grade level. The lists shall terminate and shall no longer be effective on the date prescribed by the state board pursuant to this subdivision.

(k) The state board may approve multiple lists of instructional materials, without designating a grade or subject, and the state board may designate more than one grade or subject whenever it determines that a single subject designation or a single grade designation would not promote the maximum efficiency of pupil learning. Any materials so designated may be placed on single grade or single subject lists, or multigrade or interdisciplinary lists, or may be placed on separate lists including other materials with similar grade or subject designations.

(*l*) A composite listing in the format of an order form may be used to meet the requirements of this section.

(m) The lists maintained pursuant to this section shall not be deemed to control the use period by any local district.

(n) Upon making an adoption, the state board shall establish the date upon which those adopted materials shall initially be available for use by schools.

SEC. 7. Section 69534.1 of the Education Code is amended to read:

69534.1. (a) The Student Aid Commission shall authorize the use of standardized student financial aid application forms for California. These forms shall be simple in nature and collect common data elements required by the federal government and those elements needed to meet the objectives of state-funded and institutional financial aid programs.

(b) These forms shall be utilized for the Cal Grant Program, all other programs funded by the state or a public institution of postsecondary education (except for the Board of Governors' Financial Assistance Program authorized by Chapter 1118 of the Statutes of 1987, for which a simplified form designed for that sole purpose may be used), and all federal programs administered by a public postsecondary education institution.

(c) Supplemental forms may be utilized if the forms are essential to accomplishing the objectives of individual programs. All supplemental forms utilized by public postsecondary educational institutions shall be subject to approval by the commission, and forms shall be identical for programs with similar objectives, as determined by the commission.

(d) Public postsecondary institutions are encouraged to, but may

decide whether to, use the standard application forms for funds provided by private donors.

(e) The Legislature finds and declares that it is in the best interest of students that all postsecondary education institutions in California participating in federal and state-funded financial aid programs accept the standard application forms authorized by the Student Aid Commission.

SEC. 8. Section 69673 of the Education Code is repealed.

SEC. 9. Section 465 of the Food and Agricultural Code is repealed.

SEC. 10. Section 10406.5 of the Food and Agricultural Code is amended to read:

10406.5. (a) The owner of a herd that is subject to subdivision (h) or (i) of Section 10406 may appeal to the director in writing, on a form as prescribed by the director, for continuation of indemnity payments.

(b) Upon a determination that the herd owner was in full compliance with the laws and regulations, the director, notwithstanding Section 10406, may grant a continuation of indemnity payments to the herd owner for a period of time deemed appropriate by the director.

SEC. 11. Section 56702 of the Food and Agricultural Code is amended to read:

56702. For the purposes of this chapter, "products fund" means the Farm Products Trust Fund.

SEC. 12. Section 56731 of the Food and Agricultural Code is repealed.

SEC. 13. Section 58101 of the Food and Agricultural Code is amended to read:

58101. The Legislature finds and declares all of the following with regard to the direct marketing of agricultural products:

(a) Direct marketing of agricultural products benefits the agricultural community and the consumer by, among other things, providing an alternative method for growers to sell their products while benefiting the consumer by supplying quality produce at reasonable prices.

(b) Direct marketing is a good public relations tool for the agricultural industry by bringing the farmer face-to-face with consumers.

(c) The marketing potential of a wide variety of California-produced agricultural products should be maximized.

(d) The department should maintain a direct marketing program and the industry should continue to encourage the sale of California-grown fresh produce.

(e) A regulatory scheme should be developed which provides flexibility that will make direct marketing a viable alternative without disrupting other produce marketing systems.

(f) The department should assist producers in organizing certified farmers' markets and other forms of direct marketing by providing

technical advice on marketing methods and in complying with the rules and regulations that affect direct marketing programs.

SEC. 14. Section 58576 of the Food and Agricultural Code is repealed.

SEC. 15. Section 8001 is added to the Government Code, to read:

8001. (a) Notwithstanding any other provision of law, the following advisory bodies are hereby abolished:

(1) Law Enforcement Mutual Aid Radio System.

(2) Law Enforcement Regional Coordinator Advisory Committee.

(3) California Criminalistic Institute User.

(4) Crack Down Task Force Advisory Committee.

(5) Tear Gas Advisory Committee.

(6) Wanted Persons System Advisory Group.

(7) Office of Permit Assistance.

(8) Contract Time Overrun and Claims Review Panel.

(9) Advanced Lighting Professional Advisory Committee.

(10) California Building Officials Advisory Group in the State Energy Resources, Conservation and Development Commission.

(11) Geothermal Development Grant Program Advisory Group.

(12) Professional Advisory Group in the State Energy Conservation and Development Commission.

(13) Technical Review Committee in the State Energy Conservation and Development Commission.

(14) Local Jurisdiction Advisory Committee.

(15) Residential Implementation Advisory Group.

(16) Forest (Coast) District, Technical Advisory Committee.

(17) Forest (Northern) District, Technical Advisory Committee.

(18) Forest (Southern) District, Technical Advisory Committee.

(19) Forestry Research Advisory Committee.

(20) Reforestation Advisory Committee.

(21) Council for Women in Parks.

(22) Disabled Advisory Committee.

(23) Underwater Parks and Reserves, Advisory Board.

(24) Women's Advisory Committee in the Department of Personnel Administration.

(25) State Advisory Board on Alcohol Related Problems.

(26) State Advisory Board on Drug Program.

(27) AIDS Vaccine Research and Development, Advisory Committee.

(28) California Children Services Advisory Committee.

(29) Chronic Disease Prevention and Control.

(30) California Family Planning Advisory Board.

(31) State Social Services Advisory Board.

(32) American Indian Educational Council.

(33) Equal Educational Opportunities Commission.

(34) Legal Compliance Committee.

(35) Microcomputer Advisory Committee.

(36) Common Form Committee.

(37) Graduate Fellowship Advisory Committee.
(38) Career Criminal Apprehension Program Steering Committee.
(39) Crime Prevention & Suppression Technical Advisory Committee.
(40) Crime Resistance Task Force.
(41) Suppression of Drugs in Schools State Advisory Committee.
(42) Auctioneer Disciplinary Review Committee.
(43) Acarine Mite Science Advisory Panel.
(44) Boll Weevil Science Advisory Panel.
(45) Brucellosis Review Committee.
(46) Carob Moth Science Advisory Panel.
(47) Department of Food and Agriculture EEO/Disabled Advisory Committee.
(48) Department of Food and Agriculture Women's Advisory Committee.
(49) Direct Marketing Advisory Committee.
(50) Foreign Market Development Export Incentive Program Advisory Committee.
(51) Gypsy Moth Science Advisory Panel.
(52) Hydrilla Science Advisory Panel.
(53) Japanese Beetle Science Advisory Panel.
(54) Melon Fruit Fly Science Advisory Panel.
(55) Oriental Fruit Fly Science Advisory Panel.
(56) Pest Detection Advisory Committee.
(57) Red Imported Fire Ant Science Advisory Panel.
(58) White Garden Snail Science Advisory Panel.
(59) Whitefringed Beetle Science Advisory Panel.
(60) Displaced Homemakers Emergency Loan Program, Advisory Committee.
(61) California Forum on Information Technology.
(62) Farm Products Trust Fund Review Board.
(63) Economic Opportunity Advisory Commission in the Department of Economic Opportunity.

(b) As used in this section "advisory body" means any committee, council, task force, board, panel, or other governmental entity.

SEC. 16. Section 8257 of the Government Code is amended to read:

8257. The Legislature hereby creates the Displaced Homemaker Emergency Loan Act which shall be administered by the California Commission on the Status of Women as a pilot project in the Counties of Marin, San Francisco, Alameda, Los Angeles, Orange, and San Diego.

(a) The commission is authorized to make any regulations, guidelines, and agreements deemed necessary by the commission to carry out the purposes and provisions of this act.

(b) The commission shall consult with appropriate officials in developing and administering this act.

(c) Loans may be made to displaced homemakers in amounts not

to exceed two thousand five hundred dollars ($2,500) per displaced homemaker.

(d) Applications for loan guarantees shall be filed with the commission within 18 months from the displacement date.

(e) Loans shall not be made for purposes for which other public assistance is available.

(f) Priority shall be given to applicants who are participating in job search or educational programs designed to improve the employability of the individual or who meet the requirements of paragraph (4) of subdivision (a) of Section 8257.2. Loans shall not be made for this purpose if other assistance is available.

(g) Repayment of a loan shall commence no later than nine months after receipt of the loan, with an option to postpone the commencement of payments another six months in cases of need which are verified by the commission.

(h) Full payment shall be made within 48 months after commencing loan repayment but the time required for repayment may be extended in cases of need that are verified by the commission.

(i) The minimum monthly payment on each loan shall be twenty-five dollars ($25).

(j) Loans shall be made only to displaced homemakers who are being served by displaced homemaker resource centers which have developed a collaborative effort of local communities and state agencies into a one stop source of supportive services for displaced homemakers.

SEC. 17. Section 8590 of the Government Code is repealed.

SEC. 18. Article 3 (commencing with Section 11720) of Chapter 7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 19. Section 12092 of the Government Code is repealed.

SEC. 20. Chapter 11 (commencing with Section 15399.50) is added to Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 11. DEPARTMENT OF PERMIT ASSISTANCE

Article 1. General Provisions

15399.50. (a) The Department of Permit Assistance is hereby created in the Trade and Commerce Agency. The department succeeds to, and is vested with, all of the duties, purposes, and responsibilities required to be performed by the Office of Planning and Research and the Office of Permit Assistance relating to permit assistance pursuant to Division 1 (commencing with Section 65000) of Title 7. The department shall develop guidelines to provide technical assistance to counties and cities in establishing and operating an expedited development permit process. The guidelines shall include, but not be limited to, all of the following elements of a local permit process:

(1) A central contact point with a public agency where all permit applications can be filed and information on all permit requirements can be obtained.

(2) A referral process to: (A) refer the applicant to the appropriate functional area for resolution of problems and fulfillment of requirements; (B) refer the applicant to cities within the county in whose sphere of influence the proposed project lies for review, comment, or imposition of condition permits; (C) assign an individual from the local government to be responsible for guiding the application through all local permit bodies; or (D) include any combination of the above.

(b) A master permit document that covers permits for all functional areas and which could be used for obtaining the approvals of the various functional areas.

(c) A method of tracking progress on various permit applications, which may include identifying a staff person responsible for monitoring permits.

(d) A determination as to completeness of the master permit document upon its submission and a written statement of specific information that is missing, if any.

(e) Timetables for action on individual permits.

(f) An expedited appeal process to ensure fair treatment to the applicant using existing agencies, staffs, commissions, or boards, where possible.

(g) A variety of administrative mechanisms that will describe the least costly approaches for implementation in a variety of local circumstances. In developing the guidelines, local variations in population rate of growth, types of proposed development projects, geography, and differences in local government structure shall be recognized.

15399.51. (a) (1) Every city, county, or city and county shall provide for coordination of review and decisionmaking and the provision of information regarding the status of all applications and permits for residential, commercial, and industrial developments, as required by the city, county, or city and county, by a single administrative entity. The city, county, or city and county may charge fees to defray costs which are directly attributable to the coordination of an application of a developer by a single administrative entity.

(2) For the purposes of this section, "administrative entity" means a person or agency designated by the legislative body of the city, county, or city and county to coordinate the review and decisionmaking and provide information regarding the status of all permits or applications required by the local agency.

(3) A city, county, or city and county may adopt, by resolution or ordinance, procedures for the implementation of this section by the designated administrative entity.

(b) (1) At the request of an applicant, the administrative entity may coordinate the review and decisionmaking process with

affected special districts and the administrative entity designated by the legislative body of any other city, county, or city and county within whose jurisdiction application for approval of the development is also being made in order to provide concurrent processing within those jurisdictions.

(2) The department shall evaluate the extent to which this subdivision has resulted in an expedited development permit process and shall report its findings and conclusions to the Legislature on or before January 1, 1996.

(3) This subdivision shall have no application or effect on and after January 1, 1997.

15399.52. The guidelines established by the department pursuant to Section 15399.50 shall be advisory in nature. In no way shall these guidelines constitute a mandate upon cities or counties to take any of the actions contained therein.

15399.53. The department shall provide technical assistance and, subject to availability of funds appropriated, grants-in-aid, to assist counties and cities in establishing an expedited permit process pursuant to Section 15399.50. Any city or county receiving such a grant shall enact an expedited permit process within 10 months of the date of receipt. Nothing in this section or in Section 15399.50, shall in any way preclude a county or city from establishing an expedited permit process pursuant to a procedure established solely by that county or city. If the office has adopted guidelines pursuant to Section 15399.50, and a county or city has established an expedited permit process pursuant to its own procedures, in all cases the process established by the city or county shall prevail over conflicting provisions of the guidelines.

15399.54. The department shall provide information to developers explaining the permit approval process at the state and local level. The department shall ensure that all state agencies comply with applicable requirements of this chapter.

15399.55. (a) The department may call a conference of parties to resolve questions or mediate disputes arising from permit applications on any proposed development project.

(b) The department shall assist state and local agencies in an attempt to streamline the permit approval process at the state and local level.

(c) The office shall provide information to developers to assist them in meeting the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

15399.56. (a) The department, in consultation with the Resources Agency and the Environmental Protection Agency, shall develop a consolidated project information form which may be used by applicants for development projects. This form shall provide for sufficient information to allow state agencies to determine whether or not the project will be subject to the requirement for a permit from the agency.

(b) Applicants for development projects may submit the form provided by subdivision (a) to the department for distribution to state agencies which have permit responsibilities for development projects. The department shall send copies of the form to these agencies within three days of receipt.

(c) Within 30 days of receipt of the form, each agency shall notify the department in writing whether or not a permit from that agency may be required. The agency shall then send the department the appropriate permit application forms.

(d) Within 15 days of receipt of the completed form from the agencies, the department shall notify the applicant for a development project in writing of any permits required for the project specified, and it shall send the applicant the appropriate permit application forms received from the state agencies.

(e) The department, in consultation with the Resources Agency, and the Environmental Protection Agency, shall develop a consolidated project application form which may be used by applicants for development projects. The application form shall contain sufficient information to allow state agencies, departments, commissions, boards, and other administrative divisions within the agencies, to act on a permit for the project.

(f) Each state agency may develop an agency consolidated project application form which may be used by applicants for development projects. The application form shall contain sufficient information to allow the agency and any department, commission, board, and other administrative division within that agency to act on a permit.

(g) The department, in consultation with local governments, shall develop a consolidated project application form which may be used by applicants for development projects. The application form shall contain sufficient information to allow local agencies to act on a permit for the project and shall allow for additional information needs of local agencies.

(h) The department may charge an applicant for a development project a fee, not to exceed the estimated reasonable cost of providing the services performed pursuant to this section. Before levying or changing a fee, the department shall adopt or amend regulations pursuant to the Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2). The department shall make available to the public upon request data indicating the amount of cost, or estimated cost, required to provide the service and the revenue sources anticipated to provide the service, including general or special fund revenues.

SEC. 21. Section 19235 of the Government Code is repealed.

SEC. 22. Section 19795 of the Government Code is amended to read:

19795. (a) The secretary of each state agency and the director of each state department shall appoint an affirmative action officer, other than the personnel officer, except in a department with less

than 500 employees the affirmative action officer may be the personnel officer who shall report directly, and be under the supervision of, the director of the department, to develop, implement, coordinate, and monitor the agency or departmental affirmative action program. The departmental or agency affirmative action officer shall, among other duties, analyze and report on appointments of employees, request appropriate action of the departmental director or agency secretary, submit an evaluation of the effectiveness of the total affirmative action program to the State Personnel Board annually, monitor the composition of oral panels in departmental examinations, and perform other duties necessary for the effective implementation of the departmental and agency affirmative action plans.

(b) Each state agency shall establish a committee of employees who are individuals with a disability to advise the head of the agency on matters relating to the formulation and implementation of the plan to overcome and correct any underrepresentation determined pursuant to Section 19234.

SEC. 22.1. Section 65040.9 of the Government Code is repealed.

SEC. 22.2. Section 65913.3 of the Government Code is repealed.

SEC. 22.3. Section 65922.3 of the Government Code is repealed.

SEC. 22.4. Section 65922.5 of the Government Code is repealed.

SEC. 22.5. Section 65922.7 of the Government Code is repealed.

SEC. 22.6. Section 65923 of the Government Code is repealed.

SEC. 22.7. Section 65923.5 of the Government Code is repealed.

SEC. 22.8. Section 65946 of the Government Code is repealed.

SEC. 23. Section 199.57 of the Health and Safety Code is repealed.

SEC. 24. Section 1901.2 of the Health and Safety Code is amended to read:

1901.2. "Rabies area" shall mean any area not less than a county as determined by the director within a region where the existence of rabies constitutes a public health hazard, as found and declared by the director. A region shall be composed of two or more counties as determined by the director. The status of an area as a rabies area shall terminate at the end of one year from the date of the declaration unless, not earlier than two months prior to the end of the year, it is again declared to be a rabies area in the manner provided in this section. If however, the director at any time finds and declares that an area has ceased to be a rabies area its status shall terminate upon the date of the declaration.

SEC. 25. Section 11780 of the Health and Safety Code is repealed.

SEC. 26. Section 11862 of the Health and Safety Code is repealed.

SEC. 27. Section 18949.6 of the Health and Safety Code is amended to read:

18949.6. (a) The commission shall adopt regulations setting forth the procedure for the adoption of building standards and administrative regulations that apply directly to the implementation or enforcement of building standards.

(b) Regulatory adoption shall be accomplished so as to facilitate

the triennial adoption of the specified model codes pursuant to Section 18928.

(c) The regulations shall allow for the distribution of proposed building standards and regulatory changes to the public for review in compliance with the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code) and for the acceptance of responses from the public.

SEC. 28. Section 11060 of the Penal Code is amended to read:

11060. There is hereby established in the Bureau of Forensic Services of the Department of Justice the California Criminalistics Institute.

The purposes of the institute shall include, but need not be limited to, the facilitation of a comprehensive and coordinated approach to meet the high technology forensic science needs of crime laboratories operated by the department and local law enforcement agencies, the provision of a statewide upgrading of advanced laboratory services incorporating new and developing technologies, the provision of training and methodology development for all law enforcement agencies, and the handling of advanced casework laboratory referral services.

The California Criminalistics Institute is intended for use by state and local forensic scientists and law enforcement personnel.

SEC. 29. Section 13842 of the Penal Code is repealed.

SEC. 30. Section 13854 of the Penal Code is amended to read:

13854. (a) The Executive Director of the Office of Criminal Justice Planning, shall develop specific guidelines, and administrative procedures, for the selection of the California Career Criminal Apprehension Program.

(b) Administration of the overall program and the evaluation and monitoring of all grants made under this chapter shall be performed by the Office of Criminal Justice Planning, provided that funds expended for such functions shall not exceed 7.5 percent of the total annual amount made available for the purpose of this chapter.

(c) Local assistance grants made pursuant to this chapter shall not be subject to review pursuant to Section 10290 of the Public Contract Code.

SEC. 31. Section 13863 of the Penal Code is repealed.

SEC. 32. Section 742 of the Public Resources Code is repealed.

SEC. 33. Section 4531.5 of the Public Resources Code is repealed.

SEC. 34. Section 4694 of the Public Resources Code is amended to read:

4694. Experimentation and studies shall be conducted with the advice and cooperation of the University of California School of Forestry.

SEC. 35. Section 25447 of the Public Resources Code is repealed.

SEC. 36. Section 25447.1 of the Public Resources Code is

repealed.

SEC. 37. Chapter 3 (commencing with Section 10700) of Part 2 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 38. Any section of any act enacted by the Legislature during the 1993 calendar year, which takes effect on or before January 1, 1994, and which amends, amends and renumbers, adds, repeals and adds, or repeals a section amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, this act. The repeal, or repeal and addition, of any article, chapter, part, title, or division of any code by this act shall not become operative if any section of any other act amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

CHAPTER 57

An act to add Sections 17717.1 and 35001.1 to, and Chapter 3.1 (commencing with Section 41470) to Part 24 of, the Education Code, relating to school funding, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. The Legislature finds and declares the following:

(a) The Richmond Unified School District has had significant financial difficulties during the past several years, causing it to seek financial assistance in the form of two loans, which the school district is obligated to repay to the State of California over the next several years.

(b) Since the November 1991 governing board election, the governing board of the Richmond Unified School District has been comprised primarily of new school board members.

(c) The Richmond Unified School District has selected a new superintendent who has a significant number of years of experience in public education and a track record of guiding a large urban elementary school district through severe economic times while maintaining that school district's solvency.

(d) Through significant fiscal austerity measures, the Richmond Unified School District has restructured its operating cost bases, and a financial recovery plan has been adopted, resulting in a 1992–93 fiscal year district budget being balanced with a 2-percent reserve.

(e) Although the district is able to meet its current financial obligations due to the budget reductions, the repayment of the state loans from the general funds of the district would cause severe

financial hardship and would expose the district to potential bankruptcy.

(f) It is, therefore, the Legislature's intent that the Richmond Unified School District, renamed the West Contra Costa Unified School District, be authorized to use any proceeds derived from the lease, rent, sale, or other utilization of, district real properties and facilities as one means to repay specified loans from the General Fund.

SEC. 2. Section 17717.1 is added to the Education Code, to read:

17717.1. (a) The West Contra Costa Unified School District shall be ineligible for any state school facilities funding for a period of five years from the date of enactment of this legislation, or until the date of the final payment on its entire debt to the state, including both principal and interest, whichever is later.

Notwithstanding the above, the school district may continue to receive funding for deferred maintenance activities and for those purposes specified in subdivision (b).

(b) The State Allocation Board shall approve funding for only those Richmond Unified School District State School Building Lease-Purchase Program projects which were approved for Phase II apportionments on or before April 1, 1993. All West Contra Costa Unified School District projects may be considered for funding by the State Allocation Board either in five years or after the complete repayment of the loan established under Section 41471, whichever is later.

(c) In the event that the State Allocation Board approves the replacement of the existing Belding Elementary School with funds currently allocated for the modernization of the Harry Ells Middle School and the Samuel Gompers Middle School, that approval shall be considered allowable exemption under subdivision (b). Authority for this exemption is repealed on November 1, 1993, if approval of Phase III construction apportionment for the replacement of the existing Belding Elementary School has not occurred.

In allowing for the possibility of this exemption, it is not the intent of the Legislature to interfere in any way with the decisionmaking authority and process of the State Allocation Board. It is the intent of the Legislature that a proposal to replace the existing Belding Elementary School with funds currently allocated to the modernization of the Harry Ells Middle School and the Samuel Gompers Middle School be submitted to the State Allocation Board under its existing procedures and policies. The State Allocation Board's decision shall be based on the merits of the proposal, not this exemption authority. Specifically, this subdivision may not be used as justification for approval of a project to replace the Belding Elementary School.

(d) Any properties or facilities designated by the school district to be used for other than school purposes to generate capital to repay the outstanding debt shall be ineligible for deferred maintenance funding. Should any facilities receive funding for those purposes

after the enactment of this legislation, and later be declared available for purposes intended to repay the debt, the value of state funding received for deferred maintenance at that facility shall be deducted from ongoing or future deferred maintenance projects in the district.

If no projects are available for offset of apportionments, the value of the deferred maintenance performed will be added to the outstanding loan balance.

SEC. 3. Section 35001.1 is added to the Education Code, to read:

35001.1. Notwithstanding Section 35001, the Richmond Unified School District is hereby renamed and shall be known as the "West Contra Costa Unified School District."

SEC. 4. Chapter 3.1 (commencing with Section 41470) is added to Part 24 of the Education Code, to read:

CHAPTER 3.1. EMERGENCY APPORTIONMENT REPAYMENT FOR WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Article 1. Repayment of Loan Obligations

41470. Notwithstanding any other provision of law, the West Contra Costa Unified School District is authorized to lease, rent, sell, or otherwise utilize, excess school district real properties and facilities, the proceeds of which shall be used for the exclusive and sole purpose of repaying specified loans from the General Fund. Those properties may include the properties identified by prior resolution of the Richmond Unified School District. No real properties upon which state funds have been expended for acquisition or construction of new, or renovation of existing, structures for which an encumbrance to the state is currently in effect, may be used for this purpose. Any proposed utilization of school district properties or facilities shall be specified in a general district plan that is part of the financial recovery plan developed by the district pursuant to Section 41327.

41471. (a) The loan obligations to which this chapter applies are as follows:

(1) The loan of nine million five hundred twenty-five thousand dollars ($9,525,000) made to the Richmond Unified School District from the General Fund as an emergency apportionment pursuant to Chapter 171 of the Statutes of 1990, less any principal payments made prior to enactment of this bill.

(2) The loan of nineteen million dollars ($19,000,000) to the Richmond Unified School District, made pursuant to the May 2, 1991, order of the Superior Court of Contra Costa County.

(3) Interest charges through January 31, 1993, at the rates established by the initial loan agreements or legislation, as reflected in the repayment schedule specified in paragraph (b) of Section 41472. Interest charges beginning February 1, 1993, apply at a rate equal to the daily investment rate of the Pooled Money Investment Account on January 1, 1993.

(b) The loans specified in paragraphs (1) and (2) of subdivision (a) are hereby consolidated into one outstanding debt in the amount of twenty-eight million five hundred twenty-five thousand dollars ($28,525,000), less any principal payments made prior to enactment of this bill.

41472. (a) The school district may prepay its loan obligation without incurring any prepayment penalties.

(b) The minimum payment on the consolidated debt shall be determined according to the following payment schedule:

Due Date	Payment Amount
2/1/93	$ 0
2/1/94	0
2/1/95	5,570,443
2/1/96	1,870,443
2/1/97	1,870,443
2/1/98	5,570,443
2/1/99	1,870,443
2/1/00	1,870,443
2/1/01	5,570,443
2/1/02	1,870,443
2/1/03	1,870,443
2/1/04	5,570,443
2/1/05	1,870,443
2/1/06	1,870,443
2/1/07	5,267,705
	$42,513,021

(c) If payment is not made within 60 days after the scheduled date, the Controller shall pay the defaulted loan payment of principal and interest by withholding that amount from the next available payment that would otherwise be made to the county treasurer on behalf of the district pursuant to Section 14041 of the Education Code. However, subject to the approval of the Department of Finance, the amount withheld may be in monthly amounts as determined by an agreement between the West Contra Costa Unified School District and the Controller during the period beginning with the next available apportionment through the month preceding the next scheduled payment.

41473. Any and all provisions of statute that impose a condition on the sale, use, or transfer of public agency lands and properties as they would apply to the actions of the West Contra Costa Unified School District, including, but not limited to, Sections 17732 and 39363, pertaining to the use of schoolsite sale proceeds, and Section 39363.5 and Section 54222 of the Government Code pertaining to priority offerings of public lands for public purposes, are hereby waived until the loans identified in this article are repaid. This waiver authority does not extend to any real properties upon which state

funds have been expended for acquisition or construction of new, or renovation of existing, structures for which an encumbrance to the state is currently in effect.

SEC. 5. Due to the unique circumstances concerning the West Contra Costa Unified School District and the Contra Costa County Office of Education, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 6. 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. 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 Richmond Unified School District may continue to operate within its austere budgetary constraints and to begin repayment to the state of outstanding fiscal obligations, it is necessary that this act take effect immediately.

CHAPTER 58

An act to add Section 22859.1 to the Government Code, relating to the Public Employees' Medical and Hospital Care Act, declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 22859.1 is added to the Government Code, to read:

22859.1. (a) Notwithstanding any other provision of this part, a contracting agency and the employees' exclusive representative may agree that the employer contribution payable by a contracting agency for postretirement health benefit coverage for an annuitant subject to this section shall be based on the former employee's completed years of service credited with the contracting agency at retirement for age and service, with the contracting agency paying no employer contribution for the first 15 years of that credited service, and paying 100 percent of the employer contribution for that credited service of 15 years or more.

This section shall apply only to the North Orange County Community College District and only to employees of that district, and only the Riverside County Superintendent of Schools and only

to the school employees subject to the jurisdiction of that county superintendent of schools, who are initially employed by that district, or first employed under the jurisdiction of that county superintendent of schools, on or after either July 1, 1993, or the effective date of this section, whichever is later.

(b) The agreement entered into pursuant to subdivision (a) shall require that the employer contribution for a part-time employee who has 20 years or more of credited service with the contracting agency shall be 100 percent of the employer contribution.

SEC. 2. The Legislature finds and declares that the health benefits coverage of employees of the North Orange County Community College District and the school employees under the jurisdiction of the Riverside County Superintendent of Schools constitutes a unique situation to which a general statute cannot be make applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. The Legislature declares that this act was enacted in response to local requests within the meaning of subdivision (a) of Section 6 of Article XIII B of the California Constitution. Therefore, even if the Commission on State Mandates or any other entity determines that this bill imposes a state-mandated local program, no reimbursement is required under Section 6 of Article XIII B.

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 benefits provided by this act and the related savings of the North Orange County Community College District, the Riverside County Superintendent of Schools, and the school employers subject to the jurisdiction of that county superintendent of schools may take effect on or as near as possible to the commencement of the 1993–94 school year, as targeted by the related local collective bargaining agreements, it is necessary that this act take effect immediately.

CHAPTER 59

An act to amend Section 45452 of the Education Code, to repeal Section 6555 of the Elections Code, to amend Sections 53646, 66451.13, 66451.20, and 66451.21 of, and to add and repeal Sections 17582 and 17751.5 of, the Government Code, to amend Sections 10254 and 11361.5 of, and to add Section 4023.35 to, the Health and Safety Code, to amend Section 1198.5 of the Labor Code, to amend Sections 1203 and 14206 of the Penal Code, to amend Section 1513 of the Probate Code, to amend Section 21670 of the Public Utilities Code, to amend Section 20018 of the Vehicle Code, and to amend Sections 209, 653, and 653.5 of the Welfare and Institutions Code, relating to

state-mandated local programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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 relieve local entities of the duty to incur unnecessary expenses in certain aspects of the following subjects:

(a) Candidate filing fees.

(b) The destruction of records pertaining to marijuana offenses.

(c) Dental examinations of unidentified bodies.

(d) Victims' statements in connection with probation proceedings.

(e) School crossing guards.

(f) Felony arrest records of juveniles.

(g) Real property subdivision mergers.

(h) Employee personnel files.

(i) Missing person reports.

(j) Airport land use.

(k) Investment reports.

(*l*) Audits of Short-Doyle programs.

(m) Motorists' assistance.

(n) Investigations of guardianships.

(o) Detention of minors.

(p) Pretreatment facilities for water systems.

SEC. 2. Section 45452 of the Education Code is amended to read:

45452. Standards, terms, and conditions under which school crossing guards are provided by the governing board of a school district shall be set forth in a written agreement between the governing board and a city or between the governing board and a county or between the governing board and a city and county.

SEC. 3. Section 6555 of the Elections Code is repealed.

SEC. 4. Section 17751.5 is added to the Government Code, to read:

17751.5. (a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district shall not be required to continue to implement or give effect to any statute or executive order, or portion thereof, which mandates a new program or higher level of service in an existing program because the maximum service charges, fees, or assessments which that local agency or school district is authorized to levy to pay for the costs of the statute or executive order are not sufficient to pay for the mandated new program or higher level of service.

(b) Any claim filed pursuant to subdivision (a) shall be given priority over any other matter pending before the commission and

shall be heard and decided no later than 60 days from the date of its filing.

(c) This section shall remain operative only until July 1, 1995, and as of January 1, 1996, is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends the dates upon which this section becomes inoperative and is repealed.

SEC. 5. Section 17582 is added to the Government Code to read:

17582. (a) No local agency or school district shall be required to continue to implement or give effect to any statute or executive order, or portion thereof, if a claim based on that statute or executive order has been heard and approved for that local agency or school district by the commission pursuant to Section 17551.5.

(b) This section shall remain operative only until July 1, 1995, and as of January 1, 1996, is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends the dates upon which the section becomes inoperative and is repealed.

SEC. 6. Section 53646 of the Government Code is amended to read:

53646. The treasurer may render to the depositary and to the auditor, controller, secretary, or corresponding officer of the local agency a statement showing the amount of accrued interest for each depositary for the preceding quarter if so required by the legislative body of the local agency.

SEC. 7. Section 66451.13 of the Government Code is amended to read:

66451.13. Prior to recording a notice of merger, the local agency may cause to be mailed by certified mail to the then current record owner of the property a notice of intention to determine status, notifying the owner that the affected parcels may be merged pursuant to standards specified in the merger ordinance, and advising the owner of the opportunity to request a hearing on determination of status and to present evidence at the hearing that the property does not meet the criteria for merger. The notice of intention to determine status may be filed for record with the recorder of the county in which the real property is located on the date that notice is mailed to the property owner.

SEC. 8. Section 66451.20 of the Government Code is amended to read:

66451.20. Prior to amending a merger ordinance which was in existence on January 1, 1984, in order to bring it into compliance with Section 66451.11, the legislative body of the local agency shall adopt a resolution of intention and the clerk of the legislative body may cause notice of the adoption of the resolution to be published in the manner prescribed by Section 6061. The publication shall have been completed not less than 30 days prior to adoption of the amended ordinance.

SEC. 9. Section 66451.21 of the Government Code is amended to read:

66451.21. Prior to the adoption of a merger ordinance in

conformance with Section 66451.11, by a city or county not having a merger ordinance on January 1, 1984, the legislative body shall adopt a resolution of intention to adopt a merger ordinance and fix a time and place for a public hearing on the proposed ordinance, which shall be conducted not less than 30 nor more than 60 days after adoption of the resolution. The clerk of the legislative body may cause a notice of the hearing to be published in the manner prescribed by Section 6061. Publication, if any, shall have been completed at least seven days prior to the date of the hearing. The notice shall:

(a) Contain the text of the resolution.

(b) State the time and place of the hearing.

(c) State that at the hearing all interested persons will be heard.

SEC. 10. Section 4023.35 is added to the Health and Safety Code, to read:

4023.35. Notwithstanding Sections 4023, 4023.3, and 4028, public water systems are not required to observe the standards of subdivision (f) of Section 64435 of Title 22 of the California Code of Regulations.

SEC. 11. Section 10254 of the Health and Safety Code is amended to read:

10254. In deaths investigated by the coroner or medical examiner where he or she is unable to establish the identity of the body or human remains by visual means, fingerprints, or other identifying data, the coroner or medical examiner may have a qualified dentist, as determined by the coroner or medical examiner, carry out a dental examination of the body or human remains. If the coroner or medical examiner with the aid of the dental examination and other identifying findings is still unable to establish the identity of the body or human remains, he or she shall prepare and forward the dental examination records to the Department of Justice on forms supplied by the Department of Justice for that purpose.

The Department of Justice shall act as a repository or computer center, or both, with respect to the dental examination records. The Department of Justice shall compare the dental examination records with dental records filed with it pursuant to Section 11114 of the Penal Code, shall determine which scoring probabilities are the highest for purposes of identification, and shall submit the information to the coroner or medical examiner who prepared and forwarded the dental examination records.

Not later than three years following implementation of the dental identification program required by this section and Section 11114 of the Penal Code, the Department of Justice shall submit a report on the program to the Legislature.

SEC. 12. Section 11361.5 of the Health and Safety Code is amended to read:

11361.5. (a) Records of any court of this state, any public or private agency that provides services upon referral under Section 1000.2 of the Penal Code, or of any state agency pertaining to the arrest or conviction of any person for a violation of subdivision (b),

(c), (d), or (e) of Section 11357 or subdivision (b) of Section 11360, shall not be kept beyond two years from the date of the conviction, or from the date of the arrest if there was no conviction, except with respect to a violation of subdivision (e) of Section 11357 the records shall be retained until the offender attains the age of 18 years at which time the records shall be destroyed as provided in this section. Any court or agency having custody of the records shall provide for the timely destruction of the records in accordance with subdivision (c). The requirements of this subdivision do not apply to records of any conviction occurring prior to January 1, 1976, or records of any arrest not followed by a conviction occurring prior to that date.

(b) This subdivision applies only to records of convictions and arrests not followed by conviction occurring prior to January 1, 1976, for any of the following offenses:

(1) Any violation of Section 11357 or a statutory predecessor thereof.

(2) Unlawful possession of a device, contrivance, instrument, or paraphernalia used for unlawfully smoking marijuana, in violation of Section 11364, as it existed prior to January 1, 1976, or a statutory predecessor thereof.

(3) Unlawful visitation or presence in a room or place in which marijuana is being unlawfully smoked or used, in violation of Section 11365, as it existed prior to January 1, 1976, or a statutory predecessor thereof.

(4) Unlawfully using or being under the influence of marijuana, in violation of Section 11550, as it existed prior to January 1, 1976, or a statutory predecessor thereof.

Any person subject to an arrest or conviction for those offenses may apply to the Department of Justice for destruction of records pertaining to the arrest or conviction if two or more years have elapsed since the date of the conviction, or since the date of the arrest if not followed by a conviction. The application shall be submitted upon a form supplied by the Department of Justice and shall be accompanied by a fee, which shall be established by the department in an amount which will defray the cost of administering this subdivision and costs incurred by the state under subdivision (c), but which shall not exceed thirty-seven dollars and fifty cents ($37.50). The application form may be made available at every local police or sheriff's department and from the Department of Justice and may require that information which the department determines is necessary for purposes of identification.

The department may request, but not require, the applicant to include a self-administered fingerprint upon the application. If the department is unable to sufficiently identify the applicant for purposes of this subdivision without the fingerprint or without additional fingerprints, it shall so notify the applicant and shall request the applicant to submit any fingerprints which may be required to effect identification, including a complete set if necessary, or, alternatively, to abandon the application and request

a refund of all or a portion of the fee submitted with the application, as provided in this section. If the applicant fails or refuses to submit fingerprints in accordance with the department's request within a reasonable time which shall be established by the department, or if the applicant requests a refund of the fee, the department shall promptly mail a refund to the applicant at the address specified in the application or at any other address which may be specified by the applicant. However, if the department has notified the applicant that election to abandon the application will result in forfeiture of a specified amount which is a portion of the fee, the department may retain a portion of the fee which the department determines will defray the actual costs of processing the application, provided the amount of the portion retained shall not exceed ten dollars ($10).

Upon receipt of a sufficient application, the Department of Justice shall destroy records of the department, if any, pertaining to the arrest or conviction in the manner prescribed by subdivision (c) and shall notify the Federal Bureau of Investigation, the law enforcement agency which arrested the applicant, and, if the applicant was convicted, the probation department which investigated the applicant and the Department of Motor Vehicles, of the application.

(c) Destruction of records of arrest or conviction pursuant to subdivision (a) or (b) shall be accomplished by permanent obliteration of all entries or notations upon the records pertaining to the arrest or conviction, and the record shall be prepared again so that it appears that the arrest or conviction never occurred. However, where (1) the only entries upon the record pertain to the arrest or conviction and (2) the record can be destroyed without necessarily effecting the destruction of other records, then the document constituting the record shall be physically destroyed.

(d) Notwithstanding subdivision (a) or (b), written transcriptions of oral testimony in court proceedings and published judicial appellate reports are not subject to this section. Additionally, no records shall be destroyed pursuant to subdivision (a) if the defendant or a codefendant has filed a civil action against the peace officers or law enforcement jurisdiction which made the arrest or instituted the prosecution and if the agency which is the custodian of those records has received a certified copy of the complaint in the civil action, until the civil action has finally been resolved. Immediately following the final resolution of the civil action, records subject to subdivision (a) shall be destroyed pursuant to subdivision (c) if more than two years have elapsed from the date of the conviction or arrest without conviction.

SEC. 13. Section 1198.5 of the Labor Code is amended to read:

1198.5. (a) Every employer shall at reasonable times, and at reasonable intervals as determined by the Labor Commissioner, upon the request of an employee, permit that employee to inspect such personnel files which are used or have been used to determine that employee's qualifications for employment, promotion, additional compensation, or termination or other disciplinary action.

(b) Each employer subject to this section shall keep a copy of each employee's personnel file at the place the employee reports to work, or shall make such file available at such place within a reasonable period of time after a request therefor by the employee.

(c) This section does not apply to the records of an employee relating to the investigation of a possible criminal offense. It shall not apply to letters of reference.

(d) If a local agency has established an independent employee relations board or commission, any matter or dispute pertaining to this section shall be under the jurisdiction of that board or commission, but an employee shall not be prohibited from pursuing any available judicial remedy, whether or not relief has first been sought from a board or commission.

(e) This section shall not apply to public employers, including, but not limited to, every city, county, city and county, district, and every public and quasi-public agency. This section shall not apply to the state or any state agency, and shall not apply to public school districts with respect to employees covered by Section 44031 of the Education Code. Nothing in this section shall be construed to limit the rights of employees pursuant to Section 31011 of the Government Code or Section 87031 of the Education Code, or to provide access by a public safety employee to confidential preemployment information.

SEC. 14. Section 1203 of the Penal Code is amended to read:

1203. (a) As used in this code, "probation" shall mean the suspension of the imposition or execution of a sentence and the order of conditional and revocable release in the community under the supervision of the probation officer. As used in this code, "conditional sentence" shall mean the suspension of the imposition or execution of a sentence and the order of revocable release in the community subject to the conditions established by the court without the supervision of the probation officer. It is the intent of the Legislature that both conditional sentence and probation are authorized whenever probation is authorized in any code as a sentencing option for infractions or misdemeanors.

(b) Except as provided in subdivision (j), in every case in which a person is convicted of a felony and is eligible for probation, before judgment is pronounced, the court shall immediately refer the matter to the probation officer to investigate and report to the court, at a specified time, upon the circumstances surrounding the crime and the prior history and record of the person, which may be considered either in aggravation or mitigation of the punishment. The probation officer shall immediately investigate and make a written report to the court of his or her findings and recommendations, including his or her recommendations as to the granting or denying of probation and the conditions of probation, if granted. Pursuant to Section 828 of the Welfare and Institutions Code, the probation officer shall include in his or her report any information gathered by a law enforcement agency relating to the taking of the defendant into custody as a minor, which shall be

considered for purposes of determining whether adjudications of commissions of crimes as a juvenile warrant a finding that there are circumstances in aggravation pursuant to Section 1170 or to deny probation. The probation officer shall also include in the report his or her recommendation of the amount the defendant should be required to pay as a restitution fine pursuant to Section 13967 of the Government Code. The probation officer shall also include in his or her report a recommendation as to whether the court shall require, as a condition of probation, restitution to the victim or to the Restitution Fund. The report shall be made available to the court and the prosecuting and defense attorneys at least five days, or upon request of the defendant or prosecuting attorney, nine days prior to the time fixed by the court for the hearing and determination of the report, and shall be filed with the clerk of the court as a record in the case at the time of the hearing. The time within which the report shall be made available and filed may be waived by written stipulation of the prosecuting and defense attorneys which is filed with the court or an oral stipulation in open court which is made and entered upon the minutes of the court. At a time fixed by the court, the court shall hear and determine the application, if one has been made, or, in any case, the suitability of probation in the particular case. At the hearing, the court shall consider any report of the probation officer and shall make a statement that it has considered such report which shall be filed with the clerk of the court as a record in the case. If the court determines that there are circumstances in mitigation of the punishment prescribed by law or that the ends of justice would be served by granting probation to the person, it may place the person on probation. If probation is denied, the clerk of the court shall immediately send a copy of the report to the Department of Corrections at the prison or other institution to which the person is delivered.

(c) If a defendant is not represented by an attorney, the court shall order the probation officer who makes the probation report to discuss its contents with the defendant.

(d) In every case in which a person is convicted of a misdemeanor, the court may either refer the matter to the probation officer for an investigation and a report or summarily pronounce a conditional sentence. If such a case is not referred to the probation officer, in sentencing the person, the court may consider any information concerning the person which could have been included in a probation report. The court shall inform the person of the information to be considered and permit him or her to answer or controvert such information. For this purpose, upon the request of the person, the court shall grant a continuance before the judgment is pronounced.

(e) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any of the following persons:

(1) Unless the person had a lawful right to carry a deadly weapon,

other than a firearm, at the time of the perpetration of the crime or his or her arrest, any person who has been convicted of arson, robbery, burglary, burglary with explosives, rape with force or violence, murder, attempt to commit murder, trainwrecking, kidnapping, escape from the state prison, or a conspiracy to commit one or more of those crimes and was armed with such a weapon at either of those times.

(2) Any person who used or attempted to use a deadly weapon upon a human being in connection with the perpetration of the crime of which he or she has been convicted.

(3) Any person who willfully inflicted great bodily injury or torture in the perpetration of the crime of which he or she has been convicted.

(4) Any person who has been previously convicted twice in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony.

(5) Unless the person has never been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, any person who has been convicted of burglary with explosives, rape with force or violence, murder, attempt to commit murder, trainwrecking, extortion, kidnapping, escape from the state prison, a violation of Section 286, 288, or 288a, 288.5, or a conspiracy to commit one or more of those crimes.

(6) Any person who has been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, if he or she committed any of the following acts:

(A) Unless the person had a lawful right to carry a deadly weapon at the time of the perpetration of the previous crime or his or her arrest for the previous crime, he or she was armed with a weapon at either of those times.

(B) The person used or attempted to use a deadly weapon upon a human being in connection with the perpetration of the previous crime.

(C) The person willfully inflicted great bodily injury or torture in the perpetration of the previous crime.

(7) Any public official or peace officer of this state or any city, county, or other political subdivision who, in the discharge of the duties of his or her public office or employment, accepted or gave or offered to accept or give any bribe, embezzled public money, or was guilty of extortion.

(8) Any person who knowingly furnishes or gives away phencyclidine.

(9) Any person who intentionally inflicted great bodily injury in the commission of arson under subdivision (a) of Section 451 or who intentionally set fire to, burned, or caused the burning of, an inhabited structure or inhabited property in violation of subdivision (b) of Section 451.

(10) Any person who, in the commission of a felony, inflicts great bodily injury or causes the death of a human being by the discharge of a firearm from or at an occupied motor vehicle proceeding on a public street or highway.

(11) Any person who possesses a short-barreled rifle or a short-barreled shotgun under Section 12020, a machine gun under Section 12220, or a silencer under Section 12520.

(f) When probation is granted in a case which comes within the provisions of subdivision (e), the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(g) If a person is not eligible for probation, the judge shall refer the matter to the probation officer for an investigation of the facts relevant to determination of the amount of a restitution fine pursuant to Section 13967 of the Government Code in all cases where the determination is applicable. The judge, in his or her discretion, may direct the probation officer to investigate all facts relevant to the sentencing of the person. Upon that referral, the probation officer shall immediately investigate the circumstances surrounding the crime and the prior record and history of the person and make a written report to the court of his or her findings. The findings shall include a recommendation of the amount of the restitution fine as provided in Section 13967 of the Government Code.

(h) In any case in which a defendant is convicted of a felony and a probation report is prepared pursuant to subdivision (b) or (g), the probation officer may obtain and include in the report a statement of the comments of the victim concerning the offense. The court may direct the probation officer not to obtain a statement in any case where the victim has in fact testified at any of the court proceedings concerning the offense.

(i) No probationer shall be released to enter another state unless his or her case has been referred to the Administrator, Interstate Probation and Parole Compacts, pursuant to the Uniform Act for Out-of-State Probationer or Parolee Supervision (Article 3 (commencing with Section 11175) of Chapter 2 of Title 1 of Part 4).

(j) In any court where a county financial evaluation officer is available, in addition to referring the matter to the probation officer, the court may order the defendant to appear before the county financial evaluation officer for a financial evaluation of the defendant's ability to pay restitution, in which case the county financial evaluation officer shall report his or her findings regarding restitution and other court-related costs to the probation officer on the question of the defendant's ability to pay those costs.

Any order made pursuant to this subdivision may be enforced as a violation of the terms and conditions of probation upon willful failure to pay and at the discretion of the court and as stated in the order, may be enforced in the same manner as a judgment in a civil action, if any balance remains unpaid at the end of the defendant's probationary period.

SEC. 14. Section 14206 of the Penal Code is amended to read:

14206. (a) (1) When any person makes a report of a missing person to a police department, sheriff's department, district attorney's office, California Highway Patrol, or other law enforcement agency, the report shall be given in person or by mail in a format acceptable to the Attorney General. That form shall include a statement authorizing the release of the dental or skeletal X-rays, or both, of the person reported missing and authorizing the release of a recent photograph of a person reported missing who is under 18 years of age. Included with the form shall be instructions which state that if the person reported missing is still missing 30 days after the report is made, the release form signed by a member of the family or next of kin of the missing person shall be taken by the family member or next of kin to the dentist, physician and surgeon, or medical facility in order to obtain the release of the dental or skeletal X-rays, or both, of that person or may be taken by a peace officer, if others fail to take action, to secure those X-rays. Notwithstanding any other provision of law, dental or skeletal X-rays, or both, shall be released by the dentist, physician and surgeon, or medical facility to the person presenting the request and shall be submitted within 10 days by that person to the police or sheriff's department or other law enforcement agency having jurisdiction over the investigation. When the person reported missing has not been found within 30 days and no family or next of kin exists or can be located, the law enforcement agency may execute a written declaration, stating that an active investigation seeking the location of the missing person is being conducted, and that the dental or skeletal X-rays, or both, are necessary for the exclusive purpose of furthering the investigation. Notwithstanding any other provision of law, the written declaration, signed by a peace officer, is sufficient authority for the dentist, physician and surgeon, or medical facility to release the missing person's dental or skeletal X-rays, or both.

(2) The form provided under this subdivision shall also state that if the person reported missing is under 18 years of age, the completed form shall be taken to the dentist, physician and surgeon, or medical facility immediately when the law enforcement agency determines that the disappearance involves evidence that the person is at risk or when the law enforcement agency determines that the person missing is under 12 years of age and has been missing at least 14 days. The form shall further provide that the dental or skeletal X-rays, or both, and a recent photograph of the missing child shall be submitted immediately to the law enforcement agency. Whenever authorized under this subdivision to execute a written declaration to obtain the release of dental or skeletal X-rays, or both, is provided, the investigating law enforcement agency may obtain those X-rays when a person reported missing is under 18 years of age and the law enforcement agency determines that the disappearance involves evidence that the person is at risk. In each case, the law enforcement agency may confer immediately with the coroner or medical

examiners and may submit its report including the dental or skeletal X-rays, or both, within 24 hours thereafter to the Attorney General. The Attorney General's office shall code and enter the dental or skeletal X-rays, or both, into the center.

(b) When a person reported missing has not been found within 45 days, the sheriff, chief of police, or other law enforcement agency conducting the investigation for the missing person may confer with the coroner or medical examiner prior to the preparation of a missing person report. The coroner or medical examiner shall cooperate with the law enforcement agency. After conferring with the coroner or medical examiner, the sheriff, chief of police, or other law enforcement agency initiating and conducting the investigation for the missing person may submit a missing person report and the dental or skeletal X-rays, or both, and photograph received pursuant to subdivision (a) to the Attorney General's office in a format acceptable to the Attorney General.

Nothing in this section prohibits a parent or guardian of a child, reported to a law enforcement agency as missing, from voluntarily submitting fingerprints, and other documents, to the law enforcement agency accepting the report for inclusion in the report which is submitted to the Attorney General.

SEC. 16. Section 1513 of the Probate Code is amended to read:

1513. (a) Unless waived by the court, a court investigator, probation officer, or domestic relations investigator may make an investigation and file with the court a report and recommendation concerning each proposed guardianship of the person or guardianship of the estate. Investigations where the proposed guardian is a relative shall be made by a court investigator. Investigations where the proposed guardian is a nonrelative shall be made by the county agency designated to investigate potential dependency. The report for the guardianship of the person shall include, but need not be limited to, an investigation and discussion of all of the following:

(1) A social history of the guardian.

(2) A social history of the proposed ward, including, to the extent feasible, an assessment of any identified developmental, emotional, psychological, or educational needs of the proposed ward and the capability of the petitioner to meet those needs.

(3) The relationship of the proposed ward to the guardian, including the duration and character of the relationship, where applicable, the circumstances whereby physical custody of the proposed ward was acquired by the guardian, and a statement of the proposed ward's attitude concerning the proposed guardianship, unless the statement of the attitude is affected by the proposed ward's developmental, physical, or emotional condition.

(4) The anticipated duration of the guardianship and the plans of both natural parents and the proposed guardian for the stable and permanent home for the child. The court may waive this requirement for cases involving relative guardians.

(b) The report shall be read and considered by the court prior to ruling on the petition for guardianship, and shall be reflected in the minutes of the court. The person preparing the report may be called and examined by any party to the proceeding.

(c) If the investigation finds that any party to the proposed guardianship alleges the minor's parent is unfit, as defined by Section 300 of the Welfare and Institutions Code, the case shall be referred to the county agency designated to investigate potential dependencies. Guardianship proceedings shall not be completed until the investigation required by Sections 328 and 329 of the Welfare and Institutions Code is completed and a report is provided to the court in which the guardianship proceeding is pending.

(d) The report authorized by this section is confidential and shall only be made available to persons who have been served in the proceedings or their attorneys. The county clerk shall make provisions for the limitation of the report exclusively to persons entitled to its receipt.

(e) For the purpose of writing the report authorized by this section, the person making the investigation and report shall have access to the proposed ward's school records, probation records, and public and private social services records, and to an oral or written summary of the proposed ward's medical records and psychological records prepared by any physician, psychologist, or psychiatrist who made or who is maintaining those records. The physician, psychologist, or psychiatrist shall be available to clarify information regarding these records pursuant to the investigator's responsibility to gather and provide information for the court.

(f) This section does not apply to guardianships resulting from a permanency plan for a dependent child pursuant to Section 366.25 of the Welfare and Institutions Code.

SEC. 17. Section 21670 of the Public Utilities Code is amended to read:

21670. (a) The Legislature hereby finds and declares that:

(1) It is in the public interest to provide for the orderly development of each public use airport in this state and the area surrounding these airports so as to promote the overall goals and objectives of the California airport noise standards adopted pursuant to Section 21669 and to prevent the creation of new noise and safety problems.

(2) It is the purpose of this article to protect public health, safety, and welfare by ensuring the orderly expansion of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports to the extent that these areas are not already devoted to incompatible uses.

(b) In order to achieve the purposes of this article, every county in which there is located an airport which is served by a scheduled airline may establish an airport land use commission. Every county, in which there is located an airport which is not served by a

scheduled airline, but is operated for the benefit of the general public, may establish an airport land use commission, except that the board of supervisors of the county may, after consultation with the appropriate airport operators and affected local entities and after a public hearing, adopt a resolution finding that there are no noise, public safety, or land use issues affecting any airport in the county which require the creation of a commission and declaring the county exempt from that requirement. The board may, in this event, transmit a copy of the resolution to the Director of Transportation. For purposes of this section, "commission" means an airport land use commission. Each commission shall consist of seven members to be selected as follows:

(1) Two representing the cities in the county, appointed by a city selection committee comprised of the mayors of all the cities within that county, except that if there are any cities contiguous or adjacent to the qualifying airport, at least one representative shall be appointed therefrom. If there are no cities within a county, the number of representatives provided for by paragraphs (2) and (3) shall each be increased by one.

(2) Two representing the county, appointed by the board of supervisors.

(3) Two having expertise in aviation, appointed by a selection committee comprised of the managers of all of the public airports within that county.

(4) One representing the general public, appointed by the other six members of the commission.

(c) Public officers, whether elected or appointed, may be appointed and serve as members of the commission during their terms of public office.

(d) Each member shall promptly appoint a single proxy to represent him or her in commission affairs and to vote on all matters when the member is not in attendance. The proxy shall be designated in a signed written instrument which shall be kept on file at the commission offices, and the proxy shall serve at the pleasure of the appointing member. A vacancy in the office of proxy shall be filled promptly by appointment of a new proxy.

(e) A person having an "expertise in aviation" means a person who, by way of education, training, business, experience, vocation, or avocation has acquired and possesses particular knowledge of, and familiarity with, the function, operation, and role of airports, or is an elected official of a local agency which owns or operates an airport. The commission shall be constituted pursuant to this section on and after March 1, 1988.

SEC. 18. Section 20018 of the Vehicle Code is amended to read:

20018. Every law enforcement agency having traffic law enforcement responsibility as specified in subdivision (a) of Section 830.1 and in subdivision (a) of Section 830.2 of the Penal Code may develop, adopt, and implement a written policy for its officers to provide assistance to disabled motorists on highways within its

primary jurisdiction. A copy of the policy, if adopted, shall be available to the public upon request.

SEC. 19. Section 209 of the Welfare and Institutions Code, as amended by Section 26 of Chapter 695 of the Statutes of 1992, is amended to read:

209. (a) The judge of the juvenile court of a county, or, if there is more than one judge, any of the judges of the juvenile court shall, at least annually, inspect any jail, juvenile hall, or special purpose juvenile hall which, in the preceding calendar year, was used for confinement, for more than 24 hours, of any minor.

The judge shall note in the minutes of the court whether the facility is a suitable place for confinement of minors.

If a judge of the juvenile court, after inspection of a jail, juvenile hall, special purpose juvenile hall, or lockup, finds that it is not being operated and maintained as a suitable place for the confinement of minors, the juvenile court shall give notice of its finding to all persons having authority to confine minors pursuant to this chapter and commencing 60 days thereafter the facility shall not be used for confinement of minors until the judge finds, after reinspection of the facility that the conditions which rendered the facility unsuitable have been remedied, and the facility is a suitable place for confinement of minors.

The custodian of each jail, juvenile hall, special purpose juvenile hall, and lockup may make any reports as may be requested by the Department of the Youth Authority or the juvenile court to effectuate the purposes of this section.

(b) A judge of the juvenile court shall conduct an annual inspection, either in person or through a delegated member of the appropriate county or regional juvenile justice commission, of any law enforcement facility which contains a lockup for adults which, in the preceding year, was used for the secure detention of any minor.

If the judge finds after inspection that the facility is not being operated and maintained in conformity with the requirements of subdivision (d) of Section 207.1 or with the certification requirements or standards adopted under Section 210.2, the juvenile court shall give notice of its finding to all persons having authority to securely detain minors in the facility, and, commencing 60 days thereafter, the facility shall not be used for the secure detention of a minor until the judge finds, after reinspection, that the conditions which rendered the facility unsuitable have been remedied, and the facility is a suitable place for the confinement of minors in conformity with all requirements of law.

The custodian of each law enforcement facility which contains a lockup for adults may make any report as may be requested by the Department of the Youth Authority or by the juvenile court to effectuate the purposes of this subdivision.

(c) The Department of the Youth Authority shall collect annual data on the number, place, and duration of confinements of minors in jails and lockups, as defined in subdivision (i) of Section 207.1, and

shall annually publish this information in the form as it deems appropriate for the purpose of providing public information on continuing compliance with the requirements of Section 207.1.

(d) Every person in charge of a jail, juvenile hall, special purposes juvenile hall, or lockup that, in the preceding calendar year, was used for confinement, for more than 24 hours, of any minor, may certify annually to the Department of the Youth Authority that the facility is in conformity with the regulations adopted by the department under Section 210 or 210.2, whichever is applicable. The department may provide forms and instructions to local jurisdictions to facilitate compliance with this subdivision.

(e) This section shall remain operative until July 1, 1995, on which date it shall be repealed.

SEC. 20. Section 209 of the Welfare and Institutions Code, as amended by Section 27 of Chapter 695 of the Statutes of 1992, is amended to read:

209. (a) The judge of the juvenile court of a county, or, if there is more than one judge, any of the judges of the juvenile court shall, at least annually, inspect any jail, juvenile hall, or special purpose juvenile hall which, in the preceding calendar year, was used for confinement, for more than 24 hours, of any minor.

The judge shall note in the minutes of the court whether the facility is a suitable place for confinement of minors.

The Department of the Youth Authority shall likewise conduct an annual inspection of each jail, juvenile hall, lockup, or special purpose juvenile hall situated in this state which, during the preceding calendar year, was used for confinement, for more than 24 hours, of any minor.

If either a judge of the juvenile court or the department, after inspection of a jail, juvenile hall, special purpose juvenile hall, or lockup, finds that it is not being operated and maintained as a suitable place for the confinement of minors, the juvenile court or the department shall give notice of its finding to all persons having authority to confine minors pursuant to this chapter and commencing 60 days thereafter the facility shall not be used for confinement of minors until the time the judge or department, as the case may be, finds, after reinspection of the facility that the conditions which rendered the facility unsuitable have been remedied, and the facility is a suitable place for confinement of minors.

The custodian of each jail, juvenile hall, special purpose juvenile hall, and lockup may make any reports as may be requested by the department or the juvenile court to effectuate the purposes of this section.

(b) The Department of the Youth Authority may inspect any law enforcement facility which contains a lockup for adults and which it has reason to believe may not be in compliance with the requirements of subdivision (d) of Section 207.1 or with the certification requirements or standards adopted under Section 210.2.

A judge of the juvenile court shall conduct an annual inspection, either in person or through a delegated member of the appropriate county or regional juvenile justice commission, of any law enforcement facility which contains a lockup for adults which, in the preceding year, was used for the secure detention of any minor.

If either the judge or the department finds after inspection that the facility is not being operated and maintained in conformity with the requirements of subdivision (d) of Section 207.1 or with the certification requirements or standards adopted under Section 210.2, the juvenile court or the department shall give notice of its finding to all persons having authority to securely detain minors in the facility, and, commencing 60 days thereafter, the facility shall not be used for the secure detention of a minor until the time the judge or the department, as the case may be, finds, after reinspection, that the conditions which rendered the facility unsuitable have been remedied, and the facility is a suitable place for the confinement of minors in conformity with all requirements of law.

The custodian of each law enforcement facility which contains a lockup for adults may make any report as may be requested by the department or by the juvenile court to effectuate the purposes of this subdivision.

(c) The department shall collect annual data on the number, place, and duration of confinements of minors in jails and lockups, as defined in subdivision (i) of Section 207.1, and shall annually publish this information in the form as it deems appropriate for the purpose of providing public information on continuing compliance with the requirements of Section 207.1.

(d) This section shall become operative on July 1, 1995.

SEC. 21. Section 653 of the Welfare and Institutions Code is amended to read:

653. Whenever any person applies to the probation officer or the district attorney in accordance with subdivision (e) of Section 601.3, to commence proceedings in the juvenile court, the application shall be in the form of an affidavit alleging that there was or is within the county, or residing therein, a minor within the provisions of Section 601 and setting forth facts in support thereof. The probation officer or the district attorney, in consultation with the probation officer, may make such investigation as he or she deems necessary to determine whether proceedings in the juvenile court should be commenced.

SEC. 22. Section 653.5 of the Welfare and Institutions Code is amended to read:

653.5. (a) Whenever any person applies to the probation officer to commence proceedings in the juvenile court, the application shall be in the form of an affidavit alleging that there was or is within the county, or residing therein, a minor within the provisions of Section 602, or that a minor committed an offense described in Section 602 within the county, and setting forth facts in support thereof. The probation officer may make any investigation he or she deems

necessary to determine whether proceedings in the juvenile court shall be commenced.

(b) Except as provided in subdivision (c), if the probation officer determines that proceedings pursuant to Section 650 should be commenced to declare a person to be a ward of the juvenile court on the basis that he or she is a person described in Section 602, the probation officer may cause the affidavit to be taken to the prosecuting attorney.

(c) Notwithstanding the provisions of subdivision (b), the probation officer may cause the affidavit to be taken within 48 hours to the prosecuting attorney in all of the following cases:

(1) If it appears to the probation officer that the minor has been referred to the probation officer for any violation of an offense listed in subdivision (b) of Section 707.

(2) If it appears to the probation officer that the minor is under 16 years of age at the date of the offense and that the offense constitutes a second felony referral to the probation officer.

(3) If it appears to the probation officer that the minor was 16 years of age or older at the date of the offense and that the offense constitutes a felony referral to the probation officer.

(4) If it appears to the probation officer that the minor has been referred to the probation officer for the sale or possession for sale of a controlled substance as defined in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code.

(5) If it appears to the probation officer that the minor has been referred to the probation officer for a violation of Section 11350 or 11377 of the Health and Safety Code where the violation takes place at a public or private elementary, vocational, junior high school, or high school, or a violation of Section 245.5, 626.9, or 626.10 of the Penal Code.

(6) If it appears to the probation officer that the minor has been referred to the probation officer for a violation of Section 186.22 of the Penal Code.

(7) If it appears to the probation officer that the minor has previously been placed in a program of informal probation pursuant to Section 654.

(8) If it appears to the probation officer that the minor has committed an offense in which the restitution owed to the victim exceeds one thousand dollars ($1,000). For purposes of this paragraph, the definition of "victim" in paragraph (1) of subdivision (a) of Section 729.6 and "restitution" in subdivision (d) of Section 729.6 shall apply.

Except for offenses listed in paragraph (5), the provisions of subdivision (c) shall not apply to a narcotics and drug offense set forth in Section 1000 of the Penal Code.

The prosecuting attorney shall within his or her discretionary power institute proceedings in accordance with his or her role as public prosecutor pursuant to subdivision (b) of Section 650 and Section 26500 of the Government Code. However, if it appears to the

prosecuting attorney that the affidavit was not properly referred, that the offense for which the minor was referred should be charged as a misdemeanor, or that the minor may benefit from a program of informal supervision, he or she shall refer the matter to the probation officer for whatever action the probation officer may deem appropriate.

(d) In all matters where the minor is not in custody and is already a ward of the court or a probationer under Section 602, the prosecuting attorney, within five judicial days of receipt of the affidavit from the probation officer, shall institute proceedings in accordance with his or her role as public prosecutor pursuant to subdivision (b) of Section 650 of this code and Section 26500 of the Government Code, unless it appears to the prosecuting attorney that the affidavit was not properly referred or that the offense for which the minor was referred requires additional substantiating information, in which case he or she shall immediately notify the probation officer of what further action he or she is taking.

(e) This section shall become operative on January 1, 1993, unless a later enacted statute, which is enacted before January 1, 1993, changes that date.

SEC. 23. The Legislature finds and declares that certain state-mandated local programs which in prior years have been suspended through nonappropriation in the state budget should be permanently eliminated and that this is the purpose of this act.

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 that essential modifications in the process and extent of mandates imposed upon local agencies may be revised for the 1993–94 fiscal year, it is essential that this act take effect immediately.

CHAPTER 60

An act to amend Section 8261 of, and to repeal Sections 45452 and 45452.5 of, the Education Code, to amend Section 30501 of the Food and Agriculture Code, to amend Section 8690.6 of the Government Code, to amend Section 46050.1 of the Health and Safety Code, to amend Section 3711 of the Labor Code, to amend Section 42911 of the Public Resources Code, to amend Section 4108.5 of, and to add Section 10878 to, the Revenue and Taxation Code, to amend Section 2105 of the Streets and Highways Code, and to amend Section 275 of the Welfare and Institutions Code, relating to governmental operations, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 8261 of the Education Code is amended to read:

8261. (a) The Superintendent of Public Instruction shall adopt rules and regulations pursuant to this chapter. The rules and regulations shall include, but not be limited to, provisions which do all of the following:

(1) Provide clear guidelines for the selection of agencies when child development contracts are let, including, but not limited to, specification that any agency headquartered in the proposed service area on January 1, 1985, will be given priority for a new contract in that area, unless the State Department of Education makes a written determination that (A) the agency is not able to deliver the level of services specified in the request for proposal, or (B) the department has notified the agency that it is not in compliance with the terms of its contract.

(2) Provide for a contract monitoring system to ensure that agencies expend funds received pursuant to this chapter in accordance with the provisions of their contracts.

(3) Specify adequate standards of agency performance.

(4) Establish reporting requirements for service reports, including provisions for varying the frequency with which these reports are to be submitted on the basis of agency performance.

(5) Specify standards for withholding payments to agencies that fail to submit required fiscal reports.

(6) Set forth standards for state department site visits to contracting agencies, including, but not limited to, specification as to the purpose of the visits, the personnel that will perform these visits, and the frequency of these visits which shall be as frequently as staff and budget resources permit. On an annual basis, beginning September 1985, the department shall report to the Senate Education, Senate Health and Human Services, Assembly Education, and Assembly Human Services Committees on the number of visits conducted during the previous fiscal year pursuant to this paragraph.

(b) The superintendent shall consult with the State Department of Social Services with respect to rules and regulations adopted relative to the disbursal of federal funds under Title XX of the federal Social Security Act.

(c) For purposes of expediting the implementation of state or federal legislation to expand child care services, the superintendent may waive (1) the regulations regarding the point qualifications for, and the process and scoring of, interviews of contract applicants pursuant to Section 18002 of Title 5 of the California Code of Regulations, or (2) the time limitations for scheduling and notification of appeal hearings and their results pursuant to Section

18003 of Title 5 of the California Code of Regulations. The superintendent shall ensure that the appeal hearings provided for in Section 18003 of Title 5 of the California Code of Regulations are conducted in a timely manner.

(d) Any county agency that provides contracting services pursuant to this chapter shall not be subject to any rules and regulations adopted by the superintendent which provide for self-evaluation or self-assessment.

SEC. 2. Section 45452 of the Education Code is repealed.

SEC. 3. Section 45452.5 of the Education Code is repealed.

SEC. 4. Section 30501 of the Food and Agricultural Code is amended to read:

30501. (a) The board of supervisors of any county or the governing body of any city may adopt Sections 30801, 30802, 30803, 30804, 30805, 30952, 31105, 31106, 31107, 31108, 31152, 31153, 31251, 31252, and 31254. If those sections are adopted by the board of supervisors of any county or the governing body of any city, those sections shall apply within the territorial limits of the county or the city, as the case may be. Nothing in this division requires a county to enforce those provisions within the territorial limits of any city located within the county.

(b) Whenever the term "board of supervisors," "county," "county clerk," or "animal control officer" is used in this division, those terms shall also be deemed to include the governing body of a city, a city, the city clerk, or the animal control officer of a city, respectively.

SEC. 5. Section 8690.6 of the Government Code is amended to read:

8690.6. (a) There is hereby established in the Reserve for Economic Uncertainties a Disaster Response-Emergency Operations Account. Notwithstanding Section 13340, moneys in the account are continuously appropriated, without regard to fiscal years, for allocation by the Director of Finance to state agencies for disaster response operation costs incurred by state agencies as a result of a state of emergency proclamation by the Governor. These allocations may be for emergency protective measures for the preservation of life or property within the state, or activities necessary for the resumption of regular state and local government operations and services.

(b) It is the intent of the Legislature that the Disaster Response-Emergency Operations Account have an unencumbered balance of one million dollars ($1,000,000) at the beginning of each fiscal year. In the event that this account requires additional moneys to meet claims against the account, the Director of Finance may transfer moneys from the Special Fund for Economic Uncertainties to the account in that amount sufficient to pay the amount of the claims that exceed the unencumbered balance in the account.

(c) The funds shall be allocated subject to the conditions of this section and in accordance with Section 27.00 of the annual Budget Act, except that the allocations may be made 30 days or less after

notification of the Legislature pursuant to subdivision (b) of that section.

(d) No funds allocated under this section shall be used to supplant federal funds otherwise available in the absence of state financial relief.

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

(f) No public entity administering disaster assistance to individuals shall receive funds under this section unless it administers that assistance pursuant to the following criteria:

(1) All applications, forms, and other written materials presented to persons seeking assistance shall be available in English and in the same language as that used by the major non-English-speaking group within the disaster area.

(2) Bilingual staff who reflect the demographics of the disaster area shall be available to applicants.

(g) The Legislature finds and declares that the amendments made to subdivision (c) of this section by Chapter 16 of the Statutes of 1986 declare the intent of the Legislature at the time when this section was originally added to this code by Chapter 1562 of the Statutes of 1985.

(h) This section shall become inoperative on June 30, 1996, and, as of January 1, 1997, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1997, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 46050.1 of the Health and Safety Code is amended to read:

46050.1. Notwithstanding Section 65040.2 of the Government Code, the office shall adopt, in coordination with the Office of Planning and Research and each state department and agency as it deems appropriate, guidelines for the preparation and content of noise elements as required by Section 65302 of the Government Code.

In adding Section 39850.1 to the Health and Safety Code, which was the predecessor to this section, and amending Section 65302 of the Government Code by Chapter 1124 of the Statutes of 1975, it was the intent of the Legislature to ensure, insofar as possible, that new and periodically revised noise elements in local governments' general plans be more standardized, comprehensive, and utilitarian than they had been previously.

However, the Legislature also recognized that some cities and counties had already adopted noise elements pursuant to the existing Section 65302 of the Government Code and that others had received extensions on the due date of their noise element until September 20, 1975. Those cities and counties were not required to resubmit new

noise elements consistent with Section 65302 of the Government Code, or to recognize guidelines adopted pursuant to this section, but are required, upon initial and periodic revision of the noise element, to comply with Section 65302 of the Government Code and to recognize those guidelines.

The requirement that the office adopt guidelines for the preparation and content of noise elements shall be inoperative during the 1993–94 fiscal year.

SEC. 7. Section 3711 of the Labor Code is amended to read:

3711. The director may, at any time, require any employer to furnish a written statement showing the name of his or her insurer or the manner in which the employer has complied with the provisions of Section 3700. Failure of the employer for a period of 10 days to furnish the written statement is prima facie evidence that he or she has failed or neglected in respect to the matters so required. The 10-day period shall not be construed to allow an uninsured employer, so found by the director, any extension of time from the application of the provisions of Section 3710.1. An insured employer who fails to respond to an inquiry respecting his or her status as to his or her workers' compensation security shall be assessed and required to pay a penalty of five hundred dollars ($500) to the director for deposit in the State Treasury to the credit of the Uninsured Employers Fund. In any prosecution under this article, the burden of proof is upon the defendant to show that he or she has secured the payment of compensation in one of the two ways set forth in Section 3700.

SEC. 8. Section 42911 of the Public Resources Code is amended to read:

42911. (a) By September 1, 1994, each local agency shall adopt an ordinance relating to adequate areas for collecting and loading recyclable materials in development projects.

(b) If by September 1, 1994, a local agency has not adopted an ordinance for collecting and loading recyclable materials in development projects, the model ordinance adopted pursuant to Section 42910 shall take effect on that date and shall be enforced by the local agency and have the same force and effect as if adopted by the local agency as an ordinance.

SEC. 9. Section 4108.5 of the Revenue and Taxation Code is amended to read:

4108.5. (a) The records and accounts of the tax collector pursuant to this part shall be audited at least once each three years.

(b) This section shall become inoperative on July 1, 1993, and shall remain inoperative until July 1, 1994, on which date this section shall become operative.

SEC. 10. Section 10878 is added to the Revenue and Taxation Code, to read:

10878. (a) Notwithstanding Sections 10877 and 10951, on and after July 1, 1993, the responsibility for the collection of delinquent vehicle license fees, including local vehicle license fees, and

registration fees imposed pursuant to Division 3 (commencing with Section 4000) of the Vehicle Code, and any related penalties shall be transferred from the department to the Franchise Tax Board, and any reference in this part to the department in connection with the duty to collect delinquent vehicle license fees and any related penalties shall be deemed a reference to the Franchise Tax Board.

(b) The fees and related penalties shall be collected as though they were a tax imposed under Part 10 (commencing with Section 17001). Part 10.2 (commencing with Section 18401) or any other applicable law shall apply for this purpose in the same manner and with the same force and effect as if the language of Part 10.2 or the other applicable law is incorporated in full into this authority to collect these fees and penalties, except to the extent that the provision is either inconsistent with the collection of these fees and penalties or is not relevant to the collection of these fees and penalties.

SEC. 11. Section 2105 of the Streets and Highways Code is amended to read:

2105. In addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7351 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Section 8651 of that code, the following apportionments shall be made:

(a) A sum equal to the net revenue from a tax of 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 7351 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 8651 of that code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars ($1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars ($1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (1) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to the net revenue from a tax of 11.5 percent of

any per gallon tax in excess of nine cents ($0.09) per gallon under Section 7351 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 8651 of that code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(c) In order to receive any allocation pursuant to this section, the city or county, as the case may be, shall annually expend from its general fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1987–88, 1988–89, and 1989–90 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 1987–88, 1988–89, and 1989–90 fiscal years, any unrestricted funds which the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes are expenditures from the general fund. This subdivision shall not be applicable for the 1992–93, 1993–94, 1994–95, 1995–96, and 1996–97 fiscal years.

(d) The Controller may request fiscal data from cities and counties, in addition to data provided pursuant to Section 2151, for the 1987–88, 1988–89, and 1989–90 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or provide incomplete data.

(e) At the conclusion of each fiscal year during which a city or county receives funds under this section, the Controller shall verify the city's or county's compliance with subdivision (c). Any city or county which has not complied with this requirement shall reimburse the state for the funds it received during that fiscal year. The Controller shall offset payments pursuant to Sections 2104, 2105, 2106, and 2107 to any city or county which has not complied with subdivision (c) until the state is reimbursed for the subventions under this section during the fiscal year when the city or county did not comply.

(f) For any city incorporated after July 1, 1987, the Controller shall calculate the annual average of expenditures pursuant to subdivision (c) for the period between July 1, 1987, and June 30, 1990, that the city was incorporated.

(g) Any funds that are returned to the state as a result of noncompliance with subdivision (c) shall be added to the base and redistributed among cities and counties for the fiscal year during which it is returned.

(h) The Controller shall determine the average amount of unrestricted revenues, which a city or county may expend at its discretion, received from fines and forfeitures, federal general revenue sharing, and the proceeds from the sale of real property or

bonds during the 1987–88, 1988–89, and 1989–90 fiscal years, and the amount of each of those sources expended for street and highway purposes for those fiscal years, which latter amount shall be included in the calculation of general fund expenditures pursuant to subdivision (c). If the amount of revenues received by a city or county from any of those sources during a subsequent fiscal year is less than the average revenues from the same source as determined by the Controller in accordance with this subdivision, the city's or county's expenditure requirements pursuant to subdivision (c) from that source shall be reduced in the same proportion as the reduced revenue bears to the average revenue from the same source. The reduction in the city's or county's expenditure requirements may only be granted upon submittal to and review by the Controller of financial information.

(i) If a city or county fails to comply with the requirements of subdivision (c) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year, a total amount which is not less than the total amount required to be expended for those years for purposes of complying with subdivision (c), as adjusted pursuant to subdivision (h). For cities and counties that fail to comply with subdivision (c) using the two-year period, the Controller shall begin withholding funds pursuant to subdivision (e) at the end of the two-year period.

(j) Revenues from any fee imposed by a city or county on or after January 1, 1990, which are used on or after July 1, 1990, by that city or county for maintenance purposes on its streets or highways shall be considered as general fund expenditures for the purpose of subdivision (c).

(k) A city or county shall provide all necessary information requested by the Controller if the city or county requests an adjustment to its average base year or annual expenditures that are the result of any amendment of this section after January 1, 1991. The Controller shall not make any change to the average base year or annual expenditure until the Controller has received and verified the accuracy of the necessary data.

SEC. 12. Section 275 of the Welfare and Institutions Code is amended to read:

275. (a) For the purpose of handling the reimbursement and other payments provided for in this chapter, the probation officer or other county officer designated by the board of supervisors of the county shall keep suitable books and accounts and shall give and keep suitable receipts and vouchers.

(b) The auditor of the county shall audit these books and accounts annually, or at least biennially if so ordered by the board of supervisors upon the recommendation of the county auditor, on a fiscal year basis ending June 30 and shall make a report thereon to the judge of the court and to the supervisors of the county prior to the 31st day of the next succeeding month of January. This subdivision shall become inoperative on July 1, 1993, and shall remain

inoperative until July 1, 1994, on which date this section shall become operative.

SEC. 13. Notwithstanding subdivision (a) of Section 41850 of the Public Resources Code, for a period of two years after July 1, 1993, the California Integrated Waste Management Board shall not impose any civil penalties for failure to implement a source reduction and recycling element or a household hazardous waste element.

SEC. 14. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to apply the provisions of this act to the entire 1993–94 fiscal year in order to facilitate the orderly administration of its provisions, it is necessary that this act take effect immediately.

CHAPTER 61

An act to add Article 3.6 (commencing with Section 20547) to Chapter 4 of Part 3 of Division 5 of Title 2 of, and to add Sections 21251.133 and 31676.01 to, the Government Code, relating to public retirement systems.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Article 3.6 (commencing with Section 20547) is added to Chapter 4 of Part 3 of Division 5 of Title 2 of the Government Code, to read:

Article 3.6. Second Tier Plan for Contracting Agencies

20547. (a) Effective January 1, 1994, contracting agencies as defined in Section 20010, some or all of whose employees are miscellaneous members included in the federal system, may amend their contracts with the board to provide an alternate level of benefits pursuant to this article. The alternate level of benefits shall be provided to all local miscellaneous members of a contracting agency whose services are also covered under the federal system who first become members of the system on and after the contract amendment effective date and shall be made available by election to eligible members who were employees of the contracting agency

prior to the effective date of the employer's contract amendment as specified in Section 20547.7.

(b) This article shall not apply to any agency with a memorandum of understanding that precludes any changes in the retirement coverage of the employee bargaining unit subject to that agreement.

20547.1. The normal rate of contribution for a local miscellaneous member subject to this article shall be 2 percent of compensation paid the member. A contracting agency may pay all or a portion of the member's normal contributions, pursuant to Section 20615.

20547.2. (a) Except as provided in subdivision (b), a local miscellaneous member subject to this article may 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 five years of service.

(b) Any person who was a member of the system prior to the effective date of the employer's contract amendment to be subject to this article, and who elects to become subject to this article, may be retired for service upon his or her written application to the board if he or she has attained age 50 and is credited with five years of combined service.

20547.3. (a) The service retirement allowance for a local miscellaneous member subject to this article shall be calculated in accordance with Section 21251.133.

(b) "Final compensation" for purposes of determining any benefits payable under this part for any local miscellaneous member service subject to this article shall be as defined by Section 20024.01 and shall not be reduced by any fraction or amount for any member included in the federal system.

20547.4. (a) Participation in the plan afforded by this article shall be made available to any employee who was a member of the system prior to the effective date of the employer's contract amendment to be subject to this article. The election shall be irrevocable, shall be effective on the first of the pay period following the member's election and shall apply to all future service rendered by the member with that agency. Each contracting agency shall ensure each eligible member receives sufficient information to permit an informed election, is counseled regarding the benefits provided by this article, and receives an election document. The election document shall be filed with the contracting agency, and the contracting agency shall report the member's irrevocable election to the board.

(b) A member subject to this article shall be subject to all other provisions of this part. However, in the event of a conflict, this article shall supersede and prevail over other provisions contained in this part.

20547.5. The employer contribution rate of a contracting agency subject to this article shall be determined by the board as otherwise provided by this part.

20547.6. The monthly allowances payable to members based on service subject to this article shall be annually adjusted pursuant to Section 21224.

20547.7. The disability retirement pension for local miscellaneous service subject to this article shall be one of the following:

(a) Ninety percent of the factor applicable at age 65 as set forth in Section 20547.3 times final compensation multiplied by the number of years of service credited to him or her.

(b) If the disability retirement allowance computed under subdivision (a) does not exceed one-third of his or her final compensation, 90 percent of the benefit that would be payable to the member had the member continued in employment until age 65 but in that case the retirement allowance shall not exceed one-third of the final compensation. This subdivision is not applicable to members who are not entitled, at the time of retirement, to be credited with at least 10 years of service.

(c) If the disability retirement allowance is derived from this section and Section 21296, and would otherwise exceed the maximums provided by these sections, the pension payable with respect to each section shall be reduced in the same proportion as the allowance computed as though there was no limit, so that the total of the pensions shall equal the maximum allowed.

20547.8. This article shall not apply to a contracting agency nor its employees unless and until, first, it is agreed to in a written memorandum of understanding entered into by an employer and representatives of employees and, second, the contracting agency elects to be subject to it by amendment to its contract made in the manner prescribed for approval of contracts or in the case of a new contract, by express provision of the contract. The operative date of this article with respect to a local miscellaneous member shall be the effective date of the amendment to his or her employer's contract electing to be subject to this article.

SEC. 2. Section 21251.133 is added to the Government Code, to read:

21251.133. (a) The service retirement allowance for a local miscellaneous member who is subject to Article 3.6 (commencing with Section 20547) of Chapter 4 of this part is a pension equal to the fraction of one-hundredth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year in the following table, multiplied by the member's number of years of local miscellaneous service subject to Article 3.6 (commencing with Section 20547) of Chapter 4 of this part:

Age at Retirement	Fraction
50	.5000
50¼	.5167
50½	.5334
50¾	.5500
51	.5667
51¼	.5834

51½	.6000
51¾	.6167
52	.6334
52¼	.6500
52½	.6667
52¾	.6834
53	.7000
53¼	.7167
53½	.7334
53¾	.7500
54	.7667
54¼	.7834
54½	.8000
54¾	.8167
55	.8334
55¼	.8500
55½	.8667
55¾	.8834
56	.9000
56¼	.9167
56½	.9334
56¾	.9500
57	.9667
57¼	.9834
57½	1.0000
57¾	1.0167
58	1.0334
58¼	1.0500
58½	1.0667
58¾	1.0834
59	1.1000
59¼	1.1167
59½	1.1334
59¾	1.1500
60	1.1667
60¼	1.1834
60½	1.2000
60¾	1.2167
61	1.2334
61¼	1.2500
61½	1.2667
61¾	1.2834
62	1.3000
62¼	1.3167
62½	1.3334
62¾	1.3500
63	1.3667
63¼	1.3834
63½	1.4000

63¾	1.4167
64	1.4334
64¼	1.4500
64½	1.4667
64¾	1.4834
65	1.5000

(b) The service retirement allowance for a local miscellaneous member who, pursuant to Section 20547.4, elects to be subject to Article 3.6 (commencing with Section 20547) of Chapter 4 of this part shall be: the sum of the allowance for service rendered subsequent to the effective date of the election computed pursuant to subdivision (a) of this section, added to the allowance for service rendered as a local miscellaneous member prior to the effective date of the election, computed pursuant to the formula specified in the employer's contract with the board.

SEC. 3. Section 31676.01 is added to the Government Code, to read:

31676.01. This section shall be operative in a county, some or all of whose employees are included in the federal system, at such time or times as may be mutually agreed to in memoranda of understanding executed by the employer and employee representatives if the board of supervisors adopts, by majority vote, a resolution declaring that the section shall be operative in the county. Notwithstanding any other provisions of this chapter, the current service pension, or the current service pension combined with the prior service pension, is an additional pension for members whose employment is also covered under the federal system purchased by the contributions of the county or district sufficient, when added to the service retirement annuity, to equal the fraction of one-ninetieth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year, in the following table multiplied by the number of years of current service or years of current and prior service with which the member is entitled to be credited at retirement, but in no event shall the total retirement allowance exceed the member's final compensation.

Age of Retirement	Fraction
50	.7091
50¼	.7183
50½	.7274
50¾	.7366
51	.7457
51¼	.7547
51½	.7637
51¾	.7726
52	.7816

52¼	.7907
52½	.7999
52¾	.8090
53	.8181
53¼	.8275
53½	.8369
53¾	.8462
54	.8556
54¼	.8656
54½	.8755
54¾	.8855
55	.8954
55¼	.9061
55½	.9168
55¾	.9275
56	.9382
56¼	.9498
56½	.9614
56¾	.9730
57	.9846
57¼	.9972
57½	1.0098
57¾	1.0224
58	1.0350
58¼	1.0487
58½	1.0625
58¾	1.0762
59	1.0899
59¼	1.1049
59½	1.1199
59¾	1.1349
60	1.1500
60¼	1.1611
60½	1.1723
60¾	1.1835
61	1.1947
61¼	1.2097
61½	1.2247
61¾	1.2398
62	1.2548
62¼	1.2707
62½	1.2867
62¾	1.3026
63	1.3186
63¼	1.3355
63½	1.3525
63¾	1.3695
64	1.3865
64¼	1.4047

64½	1.4229
64¾	1.4411
65 and over	1.4593

The fractions herein set forth shall be used until adjusted by each board for its retirement system in accordance with the interest and mortality tables adopted by each such board with respect to its retirement system.

In any county operating under this section any limitation in any provisions of this chapter upon the amount of compensation used for computing rates of contributions shall be disregarded.

CHAPTER 62

An act to amend Section 17053.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 17053.5 of the Revenue and Taxation Code, as amended by Section 12 of Chapter 117 of the Statutes of 1991, is amended to read:

17053.5. (a) In the case of qualified renters, there shall be allowed credits against their "net tax" (as defined in Section 17039). The amount of the credit shall be as follows:

(1) For married couples filing joint returns, heads of household and surviving spouses (as defined in Section 17046) the credit shall be as follows:

(A) One hundred twenty dollars ($120) if adjusted gross income is forty thousand dollars ($40,000), or less.

(B) Sixty dollars ($60) if adjusted gross income is greater than forty thousand dollars ($40,000), but less than forty-one thousand one dollars ($41,001).

(C) No credit shall be allowed if adjusted gross income is equal to or greater than forty-one thousand one dollars ($41,001).

(2) For other individuals, the credit shall be as follows:

(A) Sixty dollars ($60) if adjusted gross income is twenty thousand dollars ($20,000), or less.

(B) Thirty dollars ($30) if adjusted gross income is greater than twenty thousand dollars ($20,000), but less than twenty thousand five hundred one dollars ($20,501).

(C) No credit shall be allowed if adjusted gross income is equal to or greater than twenty thousand five hundred one dollars ($20,501).

(b) Except as provided in subdivision (c), a husband and wife shall receive but one credit under this section. If the husband and

wife file separate returns, the credit may be taken by either or equally divided between them, except as follows:

(1) If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for part or all of the taxable year, the resident spouse shall be allowed one-half the credit allowed to married persons and the nonresident spouse shall be permitted one-half the credit allowed to married persons, prorated as provided in subdivision (f).

(2) If both spouses were nonresidents for part of the taxable year, the credit allowed to married persons shall be divided equally between them subject to the proration provided in subdivision (f).

(c) In the case of a husband and wife, if each spouse maintained a separate place of residence and resided in this state during the entire taxable year, each spouse will be allowed one-half the full credit allowed to married persons provided in subdivisions (a) and (b).

(d) For purposes of this section, a "qualified renter" means an individual who:

(1) Was a resident of this state, as defined in Section 17014, and

(2) Rented and occupied premises in this state which constituted his or her principal place of residence during at least 50 percent of the taxable year.

(e) The term "qualified renter" does not include any of the following:

(1) An individual who for more than 50 percent of the taxable year rented and occupied premises which were exempt from property taxes, except that an individual, otherwise qualified, shall be deemed a qualified renter if he or she or his or her landlord pays possessory interest taxes, or the owner of those premises makes payments in lieu of property taxes which are substantially equivalent to property taxes paid on properties of comparable market value.

(2) An individual whose principal place of residence for more than 50 percent of the taxable year is with any other person who claimed such individual as a dependent for income tax purposes.

(3) An individual who has been granted or whose spouse has been granted the homeowners' property tax exemption during the taxable year. This paragraph shall not apply in the case of an individual whose spouse has been granted the homeowners' property tax exemption if each spouse maintained a separate residence for the entire taxable year.

(f) Any otherwise qualified renter who is a nonresident for any portion of the taxable year shall claim the credits set forth in subdivision (a) at the rate of one-twelfth of those credits for each full month that individual resided within this state during the taxable year.

(g) Every person claiming the credit provided in this section shall, as part of that claim, and under penalty of perjury, furnish that information as the Franchise Tax Board prescribes on a form supplied by the board.

(h) The credit provided in this section shall be claimed on returns in the form as the Franchise Tax Board may from time to time prescribe.

(i) For the purposes of this section, the term "premises" means a house or a dwelling unit used to provide living accommodations in a building or structure and the land incidental thereto, but does not include land only, except in the case where the dwelling unit is a mobilehome. The credit shall not be allowed for any taxable year for the rental of land upon which a mobilehome is located if the mobilehome has been granted a homeowners' exemption under Section 218 in that year.

(j) In the case of qualified renters whose credits provided in this section exceed their tax liability computed under this part the excess shall be credited against other amounts due, if any, from the qualified renter and the balance, if any, shall be refunded to the qualified renter.

(k) For each taxable year beginning on or after January 1, 1992, the Franchise Tax Board shall recompute the adjusted gross income amounts set forth 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 amounts in the preceding taxable year by the inflation adjustment factor determined in paragraph (2), and round off the resulting products to the nearest one dollar ($1).

(4) In computing the amounts pursuant to this subdivision, the amounts provided in paragraph (1) of subdivision (a) shall be twice the amount provided in paragraph (2) of subdivision (a).

(*l*) (1) The amendments to this section by the act adding this subdivision shall be applicable to taxable years beginning on and after January 1, 1991, and before January 1, 1993, and on and after January 1, 1995, and before January 1, 1996.

(2) This section shall be inoperative for taxable years beginning on and after January 1, 1993, and before January 1, 1995.

(3) This section shall remain in effect until December 1, 1996, and as of that date is repealed.

SEC. 2. The amendments made by this act shall become operative only if Senate Constitutional Amendment 9 is approved by both houses of the Legislature before the 1993 Interim Study Recess.

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

CHAPTER 63

An act to amend Sections 13302 and 13306 of, and to add and repeal Article 5 (commencing with Section 17290) to Chapter 2 of Part 4 of Division 4 of Title 2 of, the Government Code, and to amend Section 25616 of the Public Resources Code, relating to governmental operations.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 13302 of the Government Code is amended to read:

13302. The accounting system devised as provided in Section 13300 shall provide, with respect to the General Fund and other governmental funds, for:

(a) The accrual of expenditures as of the end of each fiscal year on the basis of payables incurred, excluding accrued interest on general obligation bonded indebtedness.

(b) (1) The accrual of revenues at the end of the fiscal year if the underlying transaction has occurred as of the last day of the fiscal year and the due date for the tax is within two months of the end of the period.

(2) Cash in agency trust accounts within the centralized State Treasury system which is in transit to the State Treasury, accrued interest receivable, and accounts receivable shall be accrued as of the end of each fiscal year.

(c) For the purposes of financial reporting:

(1) A payable exists when goods or services have been delivered and the state is required to pay for those goods or services, and an encumbrance exists when a valid obligation against an appropriation has been created.

(2) All funds appropriated shall be identified as either expended, payable, encumbered (exclusive of payables), or unencumbered, as further defined by the California Fiscal Advisory Board, and the total of these shall equal the total appropriation.

SEC. 2. Section 13306 of the Government Code is amended to read:

13306. (a) The Department of Finance, with the concurrence of the Controller, may establish additional funds as are necessary to properly manage and account for the financial activities and resources of the state, provided that only the minimum number of funds necessary to comply with legal requirements, "Generally Accepted Accounting Principles," and effective financial administration shall be established. The department may abolish funds established under the authority of this subdivision.

(b) The Department of Finance, with the concurrence of the

Controller, may abolish funds established by statute that have been inactive for a period of four years upon notification in writing to the Joint Legislative Budget Committee. Abolition of funds established by statute shall become effective no earlier than 30 days after the date of this notification. If these funds are abolished and subsequently are found to be needed, the department, with the concurrence of the Controller, may reestablish these funds.

(c) Because complete conformance to "Generally Accepted Accounting Principles" may be impractical or not authorized, the Department of Finance is authorized to deviate from them if conformance would not be in the best interests of the state, and if the department notifies the Controller of additional major deviations and the Controller agrees with the deviations prior to implementation.

(d) The Department of Finance shall notify the Joint Legislative Budget Committee when major changes are proposed to the accounting system to bring it into conformance to "Generally Accepted Accounting Principles." The notification shall include an estimate of the fiscal effect of the major changes being proposed.

SEC. 3. Article 5 (commencing with Section 17290) is added to Chapter 2 of Part 4 of Division 4 of Title 2 of the Government Code, to read:

Article 5. Deficit Retirement Fund

17290. It is the intent of the Legislature, in enacting this article, to recognize the state's deficit accumulated prior to July 1, 1993, estimated to be two billion eight hundred million dollars ($2,800,000,000), and to provide for the funding of the deficit in the manner set forth in this article. Further, it is the intent of the Legislature that, using the state's own resources, the amount of one billion two hundred million dollars ($1,200,000,000) shall be applied under this article to pay that deficit, to supplement an amount of approximately one billion six hundred million dollars ($1,600,000,000) otherwise being applied to reduce that deficit. The Legislature further intends that the Treasurer, the Controller, and the Director of Finance work toward an efficient and cost-effective process for carrying out this article.

17291. (a) The Deficit Retirement Fund is hereby established in the State Treasury for the purpose of setting aside state moneys for the payment and redemption of registered reimbursement warrants issued pursuant to this chapter, to fund the General Fund deficit accumulated prior to July 1, 1993. The Deficit Retirement Fund shall consist of all moneys deposited in the fund pursuant to this article. Moneys are deposited in the Deficit Retirement Fund pursuant to this article for the sole purpose of setting aside specific state funds to be applied toward retiring the accumulated deficit, at the times and in the manner set forth in this article.

(b) For purposes of this article, the "accumulated deficit" is the

amount in the Special Fund for Economic Uncertainties for the 1992–93 fiscal year, as stated in the Governor's Final Change Book for the 1993–94 fiscal year.

17292. The Controller shall transfer from the General Fund to the Deficit Retirement Fund, upon the order of the Director of Finance, the total amount of one billion two hundred million dollars ($1,200,000,000), to be transferred in two equal installments on or before each of the following dates: September 15, 1994; and December 15, 1994.

17293. After June 30, 1994, and before December 31, 1994, the Controller shall transfer from the Deficit Retirement Fund to the General Fund, upon order of the Director of Finance, an amount necessary to pay and redeem registered reimbursement warrants, not to exceed the total sum of one billion two hundred million dollars ($1,200,000,000).

17294. Moneys deposited in the Deficit Retirement Fund shall be available for transfer to the General Fund pursuant to Section 16310.

17295. This article shall remain in effect only until July 1, 1995, and as of that date is repealed. The Controller shall transfer to the General Fund any balance remaining in the Deficit Retirement Fund as of that date.

SEC. 4. Section 25616 of the Public Resources Code is amended to read:

25616. (a) It is the intent of the Legislature to encourage local agencies to expeditiously review permit applications to site energy projects, and to encourage energy project developers to consider all cost-effective and environmentally superior alternatives that achieve their project objectives.

(b) Subject to the availability of funds appropriated therefor, the commission shall provide technical assistance and grants-in-aid to assist local agencies to do either or both of the following:

(1) Site energy production or transmission projects which are not otherwise subject to the provisions of Chapter 6 (commencing with Section 25500).

(2) Integrate into their planning processes, and incorporate into their general plans, methods to achieve cost-effective energy efficiency.

(c) The commission shall provide assistance at the request of local agencies and shall coordinate that assistance with the assistance provided by the Department of Permit Assistance, created pursuant to Section 15399.50 of the Government Code.

(d) As used in this section, an energy project is any project designed to produce, convert, or transmit energy as one of its primary functions.

SEC. 5. Section 4 of this act shall become operative only if legislation adding Section 15399.50 to the Government Code to create the Department of Permit Assistance is enacted and becomes operative on or before January 1, 1994.

SEC. 6. If any provision of this act or the application thereof to

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

CHAPTER 64

An act to amend Sections 463, 464, 1797.210, 1797.212, 1797.270, 2104, 11758.10, 11758.12, 11758.13, 11765, 11805, 11961, 11964, and 11983.5 of, to amend, repeal, and add Section 25960 of, to add Article 21 (commencing with Section 429.997) to Chapter 2 of Part 1 of Division 1 of, and to repeal Sections 11758.11, 11758.14, 11758.15, 11805.5, 11806, 11807, 11808, 11809, 11809.3, 11809.5, 11810.5, 11810.6, 11810.7, 11815, 11815.5, 11815.9, 11816, 11817, 11819, 11964.5, 11983, 11983.1, 11983.2, 11983.21, 11983.22, and 11983.3 of, the Health and Safety Code, to amend Sections 12301, 16990, 17608.05, and 18100 of, to add Sections 16800.7 and 17001.7 to, to add and repeal Section 11487.5 of, and to repeal Sections 10807 and 18377 of, the Welfare and Institutions Code, relating to human services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. It is the intent of the Legislature to permit a county board of supervisors, to the extent provided for in this act, to consolidate or eliminate county health and human services advisory boards.

SEC. 2. Article 21 (commencing with Section 429.997) is added to Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, to read:

Article 21. Mandated County Advisory Boards

429.997. Notwithstanding any provision of state law, and unless prohibited by federal law, a county may eliminate or consolidate any health advisory boards that are required by state law or regulation, or in any existing contract with the department. Where advisory boards are required only by contract between the department and a county, that contract shall be amended by the department, upon written request of the county, to remove a requirement for an advisory board from the contract.

SEC. 3. Section 463 of the Health and Safety Code is amended to read.

463. (a) The county health officer shall prepare a list of family planning and birth control clinics located in the county for

distribution by the county clerk pursuant to Section 26808 of the Government Code. This list shall include information as to the availability of pregnancy testing services provided pursuant to Section 295.1.

(b) This section shall be inoperative from July 1, 1993, to June 30, 1994, inclusive.

SEC. 4. Section 464 of the Health and Safety Code is amended to read.

464. (a) The county health officer shall furnish to all hospitals within the county and to all physicians and surgeons upon request copies of the lists prepared pursuant to Section 463 in sufficient numbers as each hospital may need for voluntary distribution to patients at the hospital and as each physician and surgeon may need for voluntary distribution to his patients.

(b) This section shall be inoperative from July 1, 1993, to June 30, 1994, inclusive.

SEC. 5. Section 1797.210 of the Health and Safety Code is amended to read:

1797.210. (a) The medical director of the local EMS agency shall issue a certificate, except an EMT-P certificate, to an individual upon proof of satisfactory completion of an approved training program, passage of the certifying examination designated by the authority, completion of any other requirements for certification established by the authority, and a determination that the individual is not precluded from certification for any of the reasons listed in Section 1798.200. The certificate shall be proof of the individual's initial competence to perform at the designated level.

(b) The medical director of the local EMS agency shall, at the interval specified by the authority, recertify an EMT-I or EMT-II upon proof of the individual's satisfactory passage of the examination for recertification designated by the authority, completion of any continuing education or other requirements for recertification established by the authority, and a determination that the individual is not precluded from recertification because of any of the reasons listed in Section 1798.200.

SEC. 6. Section 1797.212 of the Health and Safety Code is amended to read:

1797.212. The local EMS agency may establish a schedule of fees for certification in an amount sufficient to cover the reasonable cost of administering the certification provisions of this division. However, a local EMS agency shall not collect fees for the certification or recertification of an EMT-P.

SEC. 7. Section 1797.270 of the Health and Safety Code is amended to read:

1797.270. An emergency medical care committee may be established in each county in this state. Nothing in this division should be construed to prevent two or more adjacent counties from establishing a single committee for review of emergency medical care in these counties.

SEC. 8. Section 2104 of the Health and Safety Code is amended to read:

2104. (a) Whenever the director finds that psittacosis, or any other diseases transmissible to man from pet birds, have become a public health hazard to the extent that control measures are necessary or desirable, the board shall adopt such additional regulations as it deems necessary for the public health ; and these regulations shall apply to all pet birds whether or not of a species otherwise regulated under this chapter. These regulations shall be adopted pursuant to Section 2105 and in accordance with Chapter 4.5 (commencing with Section 11371), Part 1, Division 3, Title 2 of the Government Code.

(b) This section shall not be operative during the 1993–94 fiscal year.

SEC. 9. Section 11758.10 of the Health and Safety Code is amended to read:

11758.10. (a) (1) Notwithstanding any other provision of law, the department shall contract with any county that requests to participate in the pilot project for the 1993–94 fiscal year.

The pilot project shall terminate on June 30, 1994. The department shall negotiate, on or before July 1, 1994, multiyear net amount contracts with every county. The department shall allocate funds to each county in accordance with Sections 11814 and 11983. The department shall predicate its contract negotiations on the availability of a mutually agreeable dedicated capacity.

(b) The department shall submit a final report by January 1, 1995, to the Chairperson of the Senate Health and Human Services Committee, the Chairperson of the Assembly Health Committee, and the Chairperson of the Assembly Human Services Committee as to whether the use of negotiated net amount contracts under this pilot project result in improved levels of efficiency, local discretion and flexibility, reduced local administrative overhead and costs, and increased program funds for services, as well as maintenance of quality and access within the counties requesting to participate in the pilot project.

SEC. 10. Section 11758.11 of the Health and Safety Code is repealed.

SEC. 11. Section 11758.12 of the Health and Safety Code is amended to read:

11758.12. (a) A negotiated net amount, for the purposes of this chapter, shall be determined by calculating the total budget for services less the amount of projected revenue. These net amounts for alcohol or drug services, or both, shall be negotiated for each year of the contract between the participating county and the department and shall be disbursed to participating counties monthly in arrears, upon enactment of the Budget Act. Monthly disbursements to the participating county at the beginning of each fiscal year shall be based on the preliminary allocation of funds issued by the department. The payments shall be based on appropriations made by

the Legislature and monthly payments shall be adjusted to reflect reductions and deletions made by the Legislature. The department shall have the option to either terminate this agreement or amend the contract to reflect the reduced funding. The payments shall continue at the adjusted level until the negotiated contract is amended to reflect the final state budget for the fiscal year and the final allocation to the counties.

(b) (1) No contracts shall become final until approved by both the county and the department. For the 1994–95 fiscal year and every fiscal year thereafter, contract negotiations shall conclude by May 1 of the prior fiscal year, and the contract shall be approved by October 1 of the contracted fiscal year, and shall cover the period July 1, to June 30, inclusive.

(2) If negotiations are not concluded by May 1 of each fiscal year or the contract is approved by October 1, of each fiscal year, the following remedies shall be the exclusive remedies:

(A) If the contract is not timely negotiated or timely approved as a result of the county failing to comply with scheduled timeframes and schedule meetings, or as a result of administrative delays at the county level, the county shall be required to revert to a cost reimbursement mechanism, and payments shall be subject to contract approval, or both.

(B) If the contract is not timely negotiated or timely approved as a result of the department failing to comply with scheduled timeframes and scheduled meetings, or as a result of administrative delays at the state level, the department shall grant additional days for contract negotiations or contract approval in direct proportion to the number of days of delay resulting from department action or state action, or both.

(c) Once the negotiated net amount is approved by the department, all participating government funding sources, except for the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code), shall be bound to that amount as the cost of providing alcohol or drug services, or both, as described in the contract. Where the State Department of Health Services adopts regulations for determining reimbursement of county alcohol and drug program plan services allowable under the Medi-Cal program, those regulations shall be controlling only as to the rates for reimbursement of these services allowable under the Medi-Cal program and rendered to Medi-Cal beneficiaries.

(d) Participating counties shall report to the department any information required by the department in accordance with, but shall not exceed, any statutory restrictions, limitations, or conditions enacted by the Legislature, including the applicable Budget Act, or federal law and regulations.

(e) Absent a finding of fraud, abuse, or failure to achieve contract objectives, no restrictions, other than any contained in the contract, shall be placed upon a county's expenditure or retention of state

General Fund funds received pursuant to this chapter.

(f) The county shall notify the department by a date specified in the contract, in each fiscal year, of any unspent federal funds that are to be added to the county's contract for the following fiscal year. These funds shall be spent first by the county in the next contract year.

(g) Unspent federal funds identified after a date specified in the contract shall be retained by the department, except for those funds awarded to the department by the federal government for specified providers or federal categorical projects.

(h) Unspent general funds identified after a date specified in the contract shall be retained by the county and spent on identifiable drug and alcohol service priorities in accordance with the contract.

SEC. 12. Section 11758.13 of the Health and Safety Code is amended to read:

11758.13. Terms of the net amount contract shall meet all of the following criteria:

(a) Provision for an adequate quality and quantity of services.

(b) Provision for access to services by persons otherwise eligible for county drug and alcohol programs.

(c) Provision for access by the department to financial and service records for the purpose of verifying conformance to provisions of the contract and the establishment of data necessary for subsequent contract negotiation.

(d) (1) Prior to opening of negotiations, the local program administrator shall submit to the local advisory board an outline of issues to be negotiated and the intended agreement on each issue.

(2) At each regular meeting of the advisory board during the period of negotiations, the local program administrator shall inform the advisory board of progress on each issue and shall request the advisory board's advice on how to further proceed on the negotiations.

(e) A provision requiring that all funds paid out by the state under this chapter shall be used exclusively by the participating county for the purposes for which it was paid out.

(f) The participating county shall bear the financial risk in providing any alcohol or drug services, or both, to the population described and enumerated in the approved contract within the net amount.

(g) Negotiated net amount contracts shall not preclude the county from subcontracting to purchase all or part of the delivery of alcohol or drug services, or both, from noncounty providers.

(h) Funds for negotiated net amount contracts in those counties with a population under 200,000 may be adjusted between alcohol programs and drug programs as negotiated by the State Department of Alcohol and Drug Programs and the county in their contracts.

(i) Each county, as part of the negotiated net contracts process between the county and the State Department of Alcohol and Drug Programs, shall adhere to Sections 11840 and 11987.4 requiring

matching funds by the county for programs and services under this section.

(j) A provision requiring that the county comply with applicable state and federal laws, regulations, and standards in expending money for the provision of drug and alcohol services.

(k) A provision requiring counties to submit, prior to negotiations and in accordance with subdivision (h) of Section 11758.12, a plan for the expenditure of all unspent state general funds.

(*l*) The terms of the contract shall include a provision for the resolution of disputed audit findings.

(m) A provision defining and expanding upon dedicated capacity. At a minimum "dedicated capacity" shall be defined as a historically calculated service modality and service capacity that is adjusted for the projected expansion or reduction in services that the counties agree to make available to provide drug and alcohol services to persons otherwise eligible for county services.

SEC. 13. Section 11758.14 of the Health and Safety Code is repealed.

SEC. 14. Section 11758.15 of the Health and Safety Code is repealed.

SEC. 15. Section 11765 of the Health and Safety Code is amended to read:

11765. (a) "County board of supervisors" includes county boards of supervisors in the case of counties acting jointly.

(b) "Agency" means the Health and Welfare Agency.

(c) "Secretary" means the Secretary of the Health and Welfare Agency.

(d) "County alcohol program plan" or "program plan" means the county alcohol plan, including a budget, adopted by the board of supervisors pursuant to Chapter 4 (commencing with Section 11795).

(e) "Board" means the State Advisory Board established pursuant to Section 11780.

(f) "Advisory board" means the county advisory board on alcohol problems established at the sole discretion of the county board of supervisors pursuant to Section 11805. If a county does not establish an advisory board, then any provision of this chapter relative to the activities, duties, and functions of the advisory board shall be inapplicable to that county.

(g) "Alcohol program administrator" means the county alcohol program administrator designated pursuant to Section 11800.

(h) "State alcohol program" includes all statewide alcohol projects administered by the department and all county alcohol programs funded under this part.

(i) "Health systems agency" means the health planning agency established pursuant to federal legislation cited as Public Law 93-641 of 1974.

(j) "Alcohol problems" means problems of individuals, families, and the community which are related to inappropriate alcohol use,

and includes conditions usually associated with the terms "alcoholism" and "alcohol abuse."

(k) "Problem drinker" means anyone who has a problem related to the consumption of alcoholic beverages whether of a periodic or continuing nature, including, but not limited to, persons referred to as "alcoholics," "alcohol abusers," and "drinking drivers." These problems may be evidenced by substantial impairment to the person's physical, mental, or social well-being which adversely affects his or her abilities to function in the community.

(*l*) "Alcohol service" means any service that is specifically and uniquely designed to encourage recovery from problem drinking and to alleviate or preclude alcohol problems in the individual, his or her family, and the community.

(m) "Alcohol program" means a collection of alcohol services which are coordinated to achieve the specified objectives of this part.

(n) "Multiple Offender Drinking Driver Program" or "Licensed Program" means an alcohol service which has been issued a valid license by the department to provide services pursuant to Chapter 9 (commencing with Section 11837).

(o) "Clients-participants" means recipients of alcohol recovery program services.

SEC. 16. Section 11805 of the Health and Safety Code is amended to read:

11805. Each county may have an advisory board on alcohol problems appointed by the board of supervisors. The advisory board may be independent, be under the jurisdiction of another health-related or human services advisory board established pursuant to any provision of state law, or have the same membership as that other advisory board.

SEC. 17. Section 11805.5 of the Health and Safety Code is repealed.

SEC. 18. Section 11806 of the Health and Safety Code is repealed.

SEC. 19. Section 11807 of the Health and Safety Code is repealed.

SEC. 20. Section 11808 of the Health and Safety Code is repealed.

SEC. 21. Section 11809 of the Health and Safety Code is repealed.

SEC. 22. Section 11809.3 of the Health and Safety Code is repealed.

SEC. 23. Section 11809.5 of the Health and Safety Code is repealed.

SEC. 24. Section 11810.5 of the Health and Safety Code is repealed.

SEC. 25. Section 11810.6 of the Health and Safety Code is repealed.

SEC. 26. Section 11810.7 of the Health and Safety Code is repealed.

SEC. 27. Section 11815 of the Health and Safety Code is repealed.

SEC. 28. Section 11815.5 of the Health and Safety Code is repealed.

SEC. 29. Section 11815.9 of the Health and Safety Code is

repealed.

SEC. 30. Section 11816 of the Health and Safety Code is repealed.

SEC. 31. Section 11817 of the Health and Safety Code is repealed.

SEC. 32. Section 11819 of the Health and Safety Code is repealed.

SEC. 33. Section 11961 of the Health and Safety Code is amended to read:

11961. As used in this chapter:

(a) "Administrator" means the county drug program administrator designated pursuant to Section 11962.

(b) "Governing body" means the county board of supervisors or boards of supervisors in the case of counties acting jointly.

(c) "County drug program plan" means the drug program plan, as required pursuant to Section 11983.1.

(d) "Advisory board" means the county advisory board established at the sole discretion of the county board of supervisors pursuant to Section 11964. If a county does not establish an advisory board, then any provision of this chapter relative to the activities, duties, and functions of the advisory board shall be inapplicable to that county.

(e) "Drug abuse services" means any service directed toward early intervention in, or alleviation or prevention of, drug abuse, including, but not limited to, diagnosis, evaluation, treatment, information, referral, consultation, and community services.

(f) "Director" means the Director of the State Department of Alcohol and Drug Programs.

(g) "Association" means the Association of the County Drug Program Administrators.

(h) "Provider" means an agency or person under contract with the county which provide drug program services, or county-operated services, or licensed or certified agencies offering drug services.

(i) "Clients-participants" means recipients of drug recovery program services.

SEC. 34. Section 11964 of the Health and Safety Code is amended to read:

11964. Each county may have an advisory board on drug programs. The advisory board may be independent, may be under the jurisdiction of another health-related advisory board established pursuant to any provision of state law, or have the same membership as that other advisory board or agency.

SEC. 35. Section 11964.5 of the Health and Safety Code is repealed.

SEC. 36. Section 11983 of the Health and Safety Code is repealed.

SEC. 37. Section 11983.1 of the Health and Safety Code is repealed.

SEC. 38. Section 11983.2 of the Health and Safety Code is repealed.

SEC. 39. Section 11983.21 of the Health and Safety Code is repealed.

SEC. 40. Section 11983.22 of the Health and Safety Code is repealed.

SEC. 41. Section 11983.3 of the Health and Safety Code is repealed.

SEC. 42. Section 11983.5 of the Health and Safety Code is amended to read:

11983.5. (a) The 1984–85 fiscal year establishes base funding for the county drug allocation. It is the intent of the Legislature to assure the integrity and separate identity of a state drug abuse service by providing a separate allocation that is specifically for the drug abuse programs. Beginning with the 1985–86 fiscal year, cost-of-living adjustments, if granted, shall be tied to the previous year's base allocation.

(b) A county with a population of 200,000 or less may shift funds between alcohol and drug programs at its discretion to fund alcohol and drug program services, as funded under, and defined in, subdivision (m) of Section 11765 and subdivision (e) of Section 11961. These shifts shall be reflected in the county alcohol and drug program plans. Prior to the county shifting funds between alcohol and drug programs, approval shall be requested and obtained by the county from the director. The request and approval shall be in writing. The request shall include a description of the process and procedures used by the county, including public hearings, in determining the need for the funding shift and shall be accompanied by resolutions of support from the county advisory board on alcohol problems and the county advisory board on drug programs. The request shall be submitted as part of the proposed annual county drug program plan submitted to the department by the board of supervisors pursuant to Section 11983.1.

(c) Notwithstanding any other provision of this section, the director may reduce funding below the base year amounts of counties which underspend their allocation for two consecutive years by more than 5 percent. Any reduction shall be limited to the difference between 5 percent of the allocation and the total amount unspent. The amounts underspent shall be based on the most recent cost reports.

SEC. 43. Section 25960 of the Health and Safety Code is amended to read:

25960. (a) Local health departments, as defined in Section 1102 , may, to the extent permitted by federal law, provide services in occupational health to promote the health of employed persons, including educational, consultative, statistical, investigative, and other activities appropriate thereto.

(b) This section shall remain in effect only until June 30, 1994, and as of that date is repealed, unless a later enacted statute, which is enacted before that date deletes or extends that date.

SEC. 44. Section 25960 is added to the Health and Safety Code, to read:

25960. (a) Local health departments, as defined in Section 1102,

shall provide services in occupational health to promote the health of employed persons, including educational, consultative, statistical, investigative, and other activities appropriate thereto.

(b) This section shall become operative on July 1, 1994.

SEC. 45. Section 10807 of the Welfare and Institutions Code is repealed.

SEC. 46. Section 11487.5 is added to the Welfare and Institutions Code, to read:

11487.5. (a) Notwithstanding any other provision of law, including Sections 11487 and 15204.5, the department shall implement a program in any participating county whereby the county shall be reimbursed for overpayment recoveries under Section 11004 as follows:

(1) If the county's error rate is below the statewide average, the county shall be reimbursed for all necessary administrative costs incurred to make a recovery of overpayments under Section 11004, not to exceed the state's share of the overpayments recovered by the county.

(2) (A) If the county's error rate is above the statewide average, the county may do either of the following:

(i) Retain only the county share of the recovered grant payment.

(ii) Be reimbursed for all necessary administrative costs incurred to make a recovery of overpayments under Section 11004, not to exceed the state's share of the overpayments recovered, and dedicate all of these reimbursements to support eligibility functions.

(B) For purposes of this paragraph, "eligibility functions" means intake, continuing eligibility, and quality control activities.

(b) For purposes of this section, "participating county" means any in which the county board of supervisors, by resolution, requests to participate in the pilot program implemented pursuant to this section.

(c) On or before January 30, 1996, the department shall report to the appropriate committees of the Legislature on the implementation of this section.

(d) This section shall be implemented when all of the following have occurred:

(1) The federal government has made funding available for the activities described in this section.

(2) The Department of Finance has examined the annual projection of costs and savings for these activities certified by the Director of Social Services, and has determined that during each fiscal year in which the Director of Social Services proposes to implement these provisions the savings to the state General Fund from increased overpayment recoveries equals or exceeds the additional costs to the state.

(e) This section shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1997, deletes or extends that date.

SEC. 47. Section 12301 of the Welfare and Institutions Code, as

added by Section 50 of Chapter 722 of the Statutes of 1992, is amended to read:

12301. (a) The intent of the Legislature in enacting this article is to provide supplemental or additional services to the social and rehabilitative services in Article 6 (commencing with Section 12250) of this chapter. The Legislature further intends that necessary in-home supportive services shall be provided in a uniform manner in every county based on individual need consistent with the appropriation provided for those services in the annual Budget Act and this chapter, in the absence of alternative in-home supportive services provided by an able and willing individual or local agency at no cost to the recipient, except as required under Section 12304.5. An able spouse who is available to assist the recipient shall be deemed willing to provide at no cost any services under this article except nonmedical personal services and paramedical services. When a spouse leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of the provider to provide supportive services may result in inappropriate placement or inadequate care, the spouse shall also be paid for accompaniment when needed during necessary travel to health-related appointments and protective supervision.

(b) Each county shall be notified of its allocation and projected caseload by July 31 of each year or 30 days after enactment of the annual Budget Act, whichever occurs later.

(c) (1) The department may reallocate funds from the existing appropriation to forestall the requirement of any service reductions on a county-by-county basis.

(2) If, during any fiscal year, a county cannot keep expenditures within the amount of its allocation plus any required matching funds, the county may reduce services on the basis of a case-by-case assessment of each recipient's level of need and living situation, upon notification to the department of the county's intention to reduce services.

(d) (1) If a county elects to implement service reductions pursuant to subdivision (c), the levels shall be calculated to reduce services only by an amount which would enable the county to remain within its allocation, together with required matching funds.

(2) None of the service reductions authorized by this section may be made for applicants or recipients for whom the reduction of services would result in imminent out-of-home placement.

(e) Counties shall use the following priorities in the implementation of any needed program reductions:

(1) Reduction in the frequency with which nonessential services are provided.

(2) Elimination of nonessential service categories.

(3) Termination or denial of eligibility to persons requiring only domestic services.

(4) Termination or denial of eligibility to persons who, in the

absence of services, would not require placement in a medical out-of-home care facility.

(5) Per capita reduction in the cost of services authorized.

(f) Any program reductions shall be implemented so as to avoid, to the extent feasible within budgetary constraints, out-of-home placements.

(g) Counties shall use the options authorized by subdivision (e) in the order they are listed therein. In no event shall services be terminated or denied to any eligible person who in the absence of these services would become unemployed.

(h) (1) For purposes of this section "nonessential services" means routine mending, ironing, heavy cleaning, domestic services, yard hazard abatement, except for snow removal, teaching and demonstration, and any other services specified by the department.

(2) Restrictions on nonessential services shall be excepted on a case-by-case basis when denial or termination of such services would result in placement in an out-of-home facility or in a loss of employment, in a life threatening situation in conditions which represent a substantial threat to health or safety, or in any other condition specified by the department.

(3) Essential services shall, at a minimum, include those services listed in subdivision (e) of Section 12304.

(i) The department shall notify the Joint Legislative Budget Committee and the fiscal committees of each house of the Legislature by January 10 of each year of any county which is required to implement service reductions pursuant to this section.

(j) This section shall be effective from July 1, 1993, until June 30, 1994.

SEC. 48. Section 12301 of the Welfare and Institutions Code, as amended by Section 50.5 of Chapter 722 of the Statutes of 1992, is amended to read:

12301. (a) The intent of the Legislature in enacting this article is to provide supplemental or additional services to the social and rehabilitative services in Article 6 (commencing with Section 12250) of this chapter. The Legislature further intends that necessary in-home supportive services shall be provided in a uniform manner in every county based on individual need consistent with this chapter and, for the 1992–93 fiscal year the appropriation provided for those services in the Budget Act, in the absence of alternative in-home supportive services provided by an able and willing individual or local agency at no cost to the recipient, except as required under Section 12304.5. An able spouse who is available to assist the recipient shall be deemed willing to provide at no cost any services under this article except nonmedical personal services and paramedical services. When a spouse leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of the provider to provide supportive services may result in inappropriate placement or inadequate care, the spouse shall also be paid for accompaniment

when needed during necessary travel to health-related appointments and protective supervision.

(b) Each county shall be notified of its allocation and projected caseload by July 31 of each fiscal year, or 30 days after the enactment of the Budget Act, whichever occurs later.

(c) This section shall remain operative until July 1, 1993, and on and after that date, shall remain inoperative until July 1, 1994, at which date, this section shall become operative.

SEC. 49. Section 16800.7 is added to the Welfare and Institutions Code, to read:

16800.7. Agencies responsible for conducting fiscal or program audits or inspections of grants or subventions pursuant to any of the following provisions shall, to the extent practicable and consistent with federal law, endeavor to cooperate and consolidate efforts so as to conduct a single fiscal or compliance audit for any program affected by these provisions, thereby maximizing audit efficiency and minimizing the inconvenience to the program being audited:

(a) The Child Health Disability Prevention Program (Article 3.4 (commencing with Section 320) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code).

(b) The Maternal and Child Health program (Article 3 (commencing with Section 300) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code).

(c) The Tobacco Use Prevention program (Chapter 1.2 (commencing with Section 24160) of Division 20 of the Health and Safety Code).

(d) A.I.D.S. programs (Part 1 (commencing with Section 100) of Division 1 of the Health and Safety Code).

(e) The County Health Care for Indigents program (Part 4.7 (commencing with Section 16900), including, but not limited to, county health care reporting requirements pursuant to Chapter 2 (commencing with Section 16910) and Chapter 2.5 (commencing with Section 16915) of Part 4.7 (commencing with Section 16900).

SEC. 50. Section 16990 of the Welfare and Institutions Code is amended to read:

16990. (a) (1) Any county receiving an allocation pursuant to this chapter and Chapter 4 (commencing with Section 16930) shall, at a minimum, maintain a level of financial support of county funds for health services at least equal to the total of the amounts specified in subparagraphs (A) and (B). The amounts specified in paragraph (1) shall be adjusted on July 1 of each year equal to the growth in the sales tax and vehicle license fees allocated to the trust fund accounts and the county general fund pursuant to Chapter 6 (commencing with Section 17600) of Part 5.

(A) Each of the following counties shall maintain a realignment financial maintenance of effort according to the following schedule:

Jurisdiction	Amount
Alameda	$ 62,950,138
Alpine	150,781
Amador	1,702,152
Butte	8,378,036
Calaveras	1,286,374
Colusa	1,362,787
Contra Costa	31,188,063
Del Norte	1,305,412
El Dorado	5,626,036
Fresno	32,555,212
Glenn	1,368,045
Humboldt	8,995,114
Imperial	8,526,220
Inyo	2,320,718
Kern	23,025,845
Kings	4,310,952
Lake	1,767,837
Lassen	1,555,628
Los Angeles	510,082,064
Madera	3,523,697
Marin	11,349,537
Mariposa	766,751
Mendocino	2,782,024
Merced	4,711,969
Modoc	939,453
Mono	1,673,165
Monterey	11,816,218
Napa	4,751,422
Nevada	2,669,976
Orange	66,846,735
Placer	3,009,967
Plumas	1,143,704
Riverside	33,598,282
Sacramento	33,012,993
San Benito	1,601,614
San Bernardino	27,576,793
San Diego	49,373,333
San Francisco	106,622,954
San Joaquin	12,646,288
San Luis Obispo	5,888,487
San Mateo	21,788,027
Santa Barbara	12,659,559
Santa Clara	47,316,403
Santa Cruz	8,373,710
Shasta	6,521,122
Sierra	327,339

Siskiyou	2,401,825
Solano	8,942,768
Sonoma	16,146,306
Stanislaus	13,403,954
Sutter	4,872,252
Tehama	3,257,915
Trinity	1,599,409
Tulare	8,593,714
Tuolumne	2,525,076
Ventura	17,042,243
Yolo	4,396,875
Yuba	3,083,423
Total	$1,278,014,696

(B) Each of the following counties shall maintain an additional maintenance of effort according to the following schedule:

Jurisdiction	Amount
Alameda	$ 18,792,665
Alpine	18,339
Amador	56,569
Butte	0
Calaveras	12,583
Colusa	0
Contra Costa	8,354,119
Del Norte	33,668
El Dorado	522,999
Fresno	476,243
Glenn	337,822
Humboldt	0
Imperial	299,028
Inyo	0
Kern	3,428,161
Kings	127,484
Lake	112,539
Lassen	0
Los Angeles	36,077,598
Madera	285,161
Marin	2,434,309
Mariposa	38,160
Mendocino	740,217
Merced	619,666
Modoc	0
Mono	366,371
Monterey	3,092,450
Napa	359,593
Nevada	343,187
Orange	4,573,945
Placer	568,920

Plumas	118,953
Riverside	197,812
Sacramento	2,765,180
San Benito	162,812
San Bernardino	4,187,700
San Diego	16,925,600
San Francisco	28,995,054
San Joaquin	4,433,684
San Luis Obispo	3,514,586
San Mateo	6,709,496
Santa Barbara	2,418,096
Santa Clara	16,249,506
Santa Cruz	983,061
Shasta	17,053
Sierra	25,567
Siskiyou	0
Solano	607,622
Sonoma	453,354
Stanislaus	147,660
Sutter	0
Tehama	12,902
Trinity	90,066
Tulare	2,338,470
Tuolumne	373,830
Ventura	3,236,260
Yolo	134,858
Yuba	152,681
Total	$177,718,885

(2) A county may, upon notifying the department of the transfers authorized by this paragraph, reduce the level of financial maintenance of effort required of the county by subparagraph (A) of paragraph (1) by the amount of the funds transferred from the Health Account pursuant to Section 17600.20.

(b) For purposes of this section, if a county desires to use any of its allocation pursuant to this chapter or Chapter 4 (commencing with Section 16930) for programs and costs not reported as part of the plan and budget required by Section 16800, the county, as a condition of using its allocation for these purposes, must maintain an amount of county funding for those programs and costs at least equal to the 1988–89 fiscal year levels.

(c) Moneys received by a county under this chapter shall be accounted for as revenue in the plan and budget which is required pursuant to Section 16800 and shall not be used as county matching funds for any other program requiring a county match.

(d) If a county fails to maintain financial maintenance of effort at least equal to the total of the amounts specified in subparagraphs (A) and (B) of paragraph (1) of subdivision (a), the department shall recover funds allocated to the county under this part sufficient to

bring the county into compliance with the financial maintenance of effort provisions. Funds shall be recovered proportionately from the Hospital Services Account, the Physician Services Account, and the Unallocated Account.

(e) The participation fee specified in Section 16809.3 shall not be included in determining a county's compliance with the maintenance of effort provisions of this section.

(f) For the purposes of determining the level of financial support required for the 1991–92 fiscal year, the amounts specified in subparagraph (A) of paragraph (1) of subdivision (a) shall be reduced to reflect shortfalls in revenue to local health and welfare trust fund health accounts due to shortfalls in receipts of sales tax revenue and county deposits required pursuant to subdivision (b) of Section 17608.10, compared to the amounts of these funds originally anticipated, as determined by the Director of Health Services.

(g) For the purposes of determining the level of financial support required in the 1992–93 fiscal year, the amounts specified in subparagraph (A) of paragraph (1) of subdivision (a) shall be reduced by 7 percent.

(h) For the purposes of determining the level of financial support required in the 1993–94 fiscal year and subsequent fiscal years, the amounts specified in subparagraph (A) of paragraph (1) of subdivision (a) shall be reduced to reflect shortfalls in revenue to local health and welfare trust fund health accounts due to shortfalls in receipts of sales tax revenue and county deposits required pursuant to subdivision (b) of Section 17608.10, compared to the amounts of these funds originally anticipated for the 1991–92 fiscal year, as determined by the Director of Health Services.

SEC. 51. Section 17001.7 is added to the Welfare and Institutions Code, to read:

17001.7. (a) In adopting standards of aid and care for the indigent and dependent poor of the county or city and county, the board of supervisors or the agency authorized by the county charter may, for purposes of determining eligibility for aid and care, deem the income and resources of any person who, as a sponsor of the entry of a general assistance applicant or recipient into the United States, executed an affidavit of support or similar agreement with respect to that applicant or recipient, and the income and resources of the sponsor's spouse, to be the income and resources of that applicant or recipient, in accordance with subdivisions (b) and (c), for a period of three years after the individual's entry into the United States. Any such deemed income shall be treated as unearned income of the general assistance applicant or recipient.

(b) (1) The amount of income of a sponsor and the sponsor's spouse that shall be deemed to be the unearned income of an alien for any month shall be determined as follows:

(A) The total amount of earned and unearned income of the sponsor and the sponsor's spouse, if the spouse is living with the sponsor, shall be determined for that month.

(B) The amount determined under subparagraph (A) shall be reduced by an amount equal to the following:

(i) One hundred seventy-five dollars ($175), or 20 percent of the total of any amounts received by the sponsor and the sponsor's spouse in that month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by them in producing self-employment income in that month, whichever is less.

(ii) The amount of maximum aid established pursuant to Section 11450 for a family of the same size and composition as the sponsor and those other individuals living in the same household as the sponsor who are claimed by the sponsor as dependents for purposes of determining the sponsor's federal personal income tax liability, but whose needs are not taken into account in making a determination for eligibility for Aid to Families with Dependent Children program under Section 602(a)(7) of Title 42 of the United States Code.

(iii) Any amounts paid by the sponsor or the sponsor's spouse to individuals not living in the sponsor's household who are claimed by the sponsor as dependents for purposes of determining the sponsor's federal personal income tax liability.

(iv) Any payments of spousal or child support by the sponsor or the sponsor's spouse with respect to individuals not living in the sponsor's household.

(2) The amount of resources of a sponsor and the sponsor's spouse that shall be deemed to be the resources of an alien for any month shall be the total amount of resources determined as if the sponsor were applying for general assistance under this chapter of the sponsor and the sponsor's spouse, if the spouse is living with the sponsor, and in accordance with the standards adopted by the county or city and county, reduced by one thousand five hundred dollars ($1,500).

(c) Any sponsor of an alien, and the alien, shall be jointly and severally liable for an amount equal to any overpayment of aid made to the alien during the period of three years after the alien's entry into the United States, on account of the sponsor's failure to provide correct information under this section, except where that sponsor was without fault, or where good cause of that failure existed.

(d) In any case where a person is the sponsor of two or more aliens who are living in the same home, the income and resources of the sponsor and the sponsor's spouse, to the extent they would be deemed the income and resources of any one of these aliens under subdivisions (a) to (c), inclusive, shall be divided into two or more equal shares, the number of shares being the same as the number of these aliens, and the income and resources of each of those aliens shall be deemed to include one share.

(e) As a condition to providing aid pursuant to this chapter, the county or city and county may require the alien to provide the name and address of the alien's sponsor and may require the alien or the alien's sponsor to provide all information regarding the income and

assets of the sponsor and the sponsor's spouse necessary to enforce this section.

(f) The deeming of sponsor's and sponsor's spouse's income and resources shall not apply to an alien whose sponsor has abandoned his or her duty to support the alien. For purposes of this section, abandonment of the duty to support shall include, but not be limited to, abuse, battery, neglect, or refusal to support. Evidence of abandonment may be demonstrated by documentary evidence or collateral statements.

(g) This section shall not apply to an alien to which any of the following applies:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of Section 1153(a)(7) of Title 8 of the United States Code.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of Section 1157(c) of Title 8 of the United States Code.

(3) Paroled into the United States as a refugee under Section 1182(d)(5) of Title 8 of the United States Code.

(4) Granted political asylum by the Attorney General of the United States pursuant to Section 1158 of Title 8 of the United States Code.

(5) A Cuban or Haitian entrant, as defined in Section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).

SEC. 52. Section 17608.05 of the Welfare and Institutions Code is amended to read:

17608.05. (a) As a condition of deposit of funds from the Sales Tax Account of the Local Revenue Fund into a county's local health and welfare trust fund mental health account, the county or city shall deposit each month local matching funds in accordance with a schedule developed by the State Department of Mental Health based on county or city standard matching obligations for the 1990–91 fiscal year for mental health programs.

(b) For the 1993–94 and the 1994–95 fiscal years only, a county or city may limit its deposit of matching funds to the amount necessary to meet minimum federal maintenance of effort requirements, as calculated by the State Department of Mental Health, subject to the approval of the Department of Finance. However, the amount of the reduction permitted by the limitation provided for by this subdivision shall not exceed fifteen million dollars ($15,000,000) per fiscal year on a statewide basis.

SEC. 53. Section 18100 of the Welfare and Institutions Code is amended to read:

18100. In each county, except where county boards of public welfare or boards or officials with like powers are otherwise provided under a charter, the board of supervisors may constitute a county board of public welfare.

SEC. 54. Section 18377 of the Welfare and Institutions Code is repealed.

SEC. 55. Those provisions of this act repealing Sections 11810.5, 11810.6, 11810.7, 11815, 11815.5, 11815.9, 11816, 11817, 11819 of the Health and Safety Code shall become operative July 1, 1994.

SEC. 56. That provision of this act amending Section 11983.5 of the Health and Safety Code shall become operative July 1, 1994.

SEC. 57. That provision of this act amending Section 25960 of the Health and Safety Code shall become operative on July 1, 1993.

SEC. 58. Those provisions of this act repealing Sections 11983, 11983.1, 11983.2, 11983.21, 11983.22, and 11983.3 of the Health and Safety Code shall become operative July 1, 1994.

SEC. 59. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 60. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or 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 ameliorate or eliminate requirements imposed on local agencies during a period of fiscal crisis, and thereby permit and facilitate continued provision of necessary human services, it is necessary that this act take effect immediately.

CHAPTER 65

An act to amend Section 16142 of the Government Code, relating to open-space subventions, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 16142 of the Government Code is amended to read:

16142. The Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, or 423.5 of the Revenue and Taxation Code:

(a) Five dollars ($5) for prime agricultural land, as defined in Section 51201.

(b) One dollar ($1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

The amount per acre in subdivision (a) may be increased by the Secretary of the Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

SEC. 2. The sum of twenty million nine hundred two thousand two hundred ninety dollars ($20,902,290) is hereby appropriated from the General Fund in augmentation of schedule (e) of Item 9100-101-001 of the Budget Act of 1993 for the purpose of increasing subventions to counties and cities for open space pursuant to Section 16142 of the Government Code.

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

In order to provide fiscal management authority as soon as possible for the urgent needs of the state and local governments in light of the current shortfall in state revenues, it is necessary that this act take effect immediately.

CHAPTER 66

An act to amend Sections 40043, 41203.1, 41204.5, 41206, 41339, 42243.6, 42243.9, 42246, 42247, 42247.2, 42249.2, 51216, 51226, 66161.5, and 76300 of, to amend and repeal Section 14022.3 of, and to add Sections 1983.5, 2558.4, 2558.45, 2558.6, 14002.1, 41204.6, 41206.1, 41601.3, 42238.14, 42238.145, 42238.16, 42238.17, 42238.18, 42238.19, 46010.3, 46015, 46300.2, 46300.6, 46300.7, 51747.3, and 84751 to, the Education Code, to amend Section 97.5 of the Revenue and Taxation Code, and to amend Sections 18, 19, 20, and 28 of, and to repeal Sections 22, 23, 26, and 27 of, Chapter 703 of the Statutes of 1992, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 1983.5 is added to the Education Code, to read:

1983.5. (a) Notwithstanding any other provision of law, community school apportionments may be claimed only for pupils enrolled in grades 7 to 12, inclusive.

(b) Notwithstanding any other provision of law, apportionments claimed by a county office of education for units of average daily attendance for pupils enrolled pursuant to subdivision (c) of Section 1981 in excess of the number claimed by that county office in the 1991–92 fiscal year shall be funded at the statewide average revenue

limit per unit of average daily attendance for that category of enrollment.

SEC. 2. Section 2558.4 is added to the Education Code, to read:

2558.4. For the purposes of this article, the revenue limit for the 1993–94 fiscal year for each county superintendent of schools determined pursuant to this article and adjusted pursuant to Section 2558.6 shall be reduced by a 9.77 percent deficit factor.

SEC. 3. Section 2558.45 is added to the Education Code, to read:

2558.45. (a) For the purposes of this article, the revenue limit for the 1994–95 fiscal year for each county superintendent of schools determined pursuant to this article and adjusted pursuant to Section 2558.6 shall be reduced by a deficit factor calculated as follows:

$$100 - \frac{(90.23 \times 100)}{(100 + C)}$$

For purposes of this calculation, "C" is the percentage determined pursuant to subdivision (b) of Section 42238.1 for the 1994–95 fiscal year.

(b) Notwithstanding subdivision (a), the revenue limit for each county superintendent of schools for the 1995–96 fiscal year and each fiscal year thereafter shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 1994–95 fiscal year without being reduced by that deficit factor.

SEC. 4. Section 2558.6 is added to the Education Code, to read:

2558.6. (a) Notwithstanding any other provision of law, the county superintendent of schools shall increase or decrease, as appropriate, the total revenue limit computed pursuant to paragraph (2) of subdivision (c) of Section 2550 and subdivision (b) of Section 14054 by the amount of the increased or decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of the act adding this section, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System, through the current fiscal year.

(b) For the 1993–94 fiscal year, the amount per average daily attendance for each county office of education computed pursuant to paragraph (2) of subdivision (c) of Section 2550 and subdivision (b) of Section 14054 shall be reduced by the 1992–93 Public Employees' Retirement System reduction computed pursuant to Provision 3 of Item 6110-106-001 of Section 2.00 of the Budget Act of 1992, excluding Investment Dividend Disbursement Account (IDDA) and Extraordinary Performance Dividend Account (EPDA) credits, divided by the 1992–93 "other purpose average daily attendance" computed pursuant to paragraph (2) of subdivision (c) of Section 2550 and subdivision (b) of Section 14054.

(c) The increase or decrease shall be calculated as follows:

(1) For the 1993–94 fiscal year and each fiscal year thereafter:

(A) Determine the amount of employer contributions that would have been made in the current fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect was 7.578 percent.

(B) If the rate computed for the current fiscal year is less than 7.578 percent, subtract the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year from the amount determined in subparagraph (A). The resulting remainder shall be deducted from the total base revenue limit computed pursuant to paragraph (2) of subdivision (c) of Section 2550 and subdivision (b) of Section 14054. If the rate computed for the current fiscal year is greater than 7.578 percent, subtract the amount determined in subparagraph (A) from the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year. The resulting remainder shall be added to the total base revenue limit computed pursuant to paragraph (2) of subdivision (c) of Section 2550 and subdivision (b) of Section 14054.

(C) For the purposes of this section, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified in subparagraph (B):

(i) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(ii) Positions supported by funds received pursuant to Section 42243.6.

(iii) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars ($25,000) by any single education agency, from a non-General Fund revenue source determined to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

SEC. 4.5. Section 14002.1 is added to the Education Code, to read:

14002.1. Notwithstanding any provision of law to the contrary, for purposes of determining (a) the amounts to be certified pursuant to Sections 14002 and 14004, (b) allocations made pursuant to Section 41301, (c) the apportionments required to be made pursuant to Sections 41330, 41332, and 41335, (d) revenue limits for school districts pursuant to Section 42238, as adjusted pursuant to Sections 42238.14 and 42238.145, and (e) revenue limits for county offices of education pursuant to Section 2558, as adjusted pursuant to Sections 2558.4 and 2558.45, the Superintendent of Public Instruction shall use the property tax estimates received from county auditors pursuant to Section 75.70 of the Revenue and Taxation Code.

SEC. 5. Section 14022.3 of the Education Code, as added by Chapter 83 of the Statutes of 1989, is amended to read:

14022.3. (a) For purposes of calculating "increases in

enrollment" pursuant to paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, the term "enrollment" for school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services means the sum of the following:

(1) Second principal apportionment regular average daily attendance for kindergarten and grades 1 to 12, inclusive, as defined in subdivision (b) of Section 42238.5, and as adjusted for any average daily attendance audit findings.

(2) Annual average daily attendance for county offices of education, as calculated pursuant to subdivision (c) of Section 41601, and as adjusted for any average daily attendance audit findings.

(b) Any determination or computation of enrollment for purposes of this section shall be based upon actual data from prior years. For the next succeeding year, any determination or computation of enrollment for purposes of this section shall be the estimated enrollment, adjusted as actual data become available.

SEC. 6. Section 14022.3 of the Education Code, as added by Chapter 82 of the Statutes of 1989, is repealed.

SEC. 7. Section 40043 of the Education Code is amended to read:

40043. (a) The governing board of any school district shall authorize the use of any school facilities or grounds under its control, when an alternative location is not available, to nonprofit organizations, and clubs or associations organized to promote youth and school activities, including, but not limited to:

(1) Girl Scouts, Boy Scouts, Camp Fire, Inc.

(2) Parent-teachers' associations.

(3) School-community advisory councils.

This subdivision shall not apply to any group that uses school facilities or grounds for fundraising activities that are not beneficial to youth or public school activities of the district, as determined by the governing board.

(b) Except as otherwise provided by law, the governing board may charge an amount not to exceed its direct costs for use of its school facilities. Each governing board that decides to levy these charges shall first adopt a policy specifying which activities shall be charged an amount not to exceed direct costs.

(c) The governing board of any school district that authorizes the use of school facilities or grounds for the purpose specified in paragraph (3) of subdivision (b) of Section 40041 shall charge the church or religious denomination an amount at least equal to the district's direct costs.

(d) In the case of entertainments or meetings where admission fees are charged or contributions are solicited and the net receipts are not expended for the welfare of the pupils of the district or for charitable purposes, a charge shall be levied for the use of school facilities or grounds which charge shall be equal to fair rental value.

(e) If any group activity results in the destruction of school property, the group may be charged for an amount necessary to

repay the damages, and further use of facilities may be denied.

(f) As used in this section, "direct costs" to the district for the use of school facilities or grounds means those costs of supplies, utilities, janitorial services, services of any other district employees, and salaries paid school district employees necessitated by the organization's use of the school facilities and grounds of the district.

(g) As used in this section, "fair rental value" means the direct costs to the district, plus the amortized costs of the school facilities or grounds used for the duration of the activity authorized.

(h) Any school district authorizing the use of school facilities or grounds under subdivision (a) shall be liable for any injuries resulting from the negligence of the district in the ownership and maintenance of those facilities or grounds. Any group using school facilities or grounds under subdivision (a) shall be liable for any injuries resulting from the negligence of that group during the use of those facilities or grounds. The district and the group shall each bear the cost of insuring against its respective risks and shall each bear the costs of defending itself against claims arising from those risks. Notwithstanding any other provision of law, this subdivision shall not be waived. Nothing in this subdivision shall be construed to limit or affect a school district's immunity or liability under Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, for injuries caused by a dangerous condition of public property.

SEC. 8. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), then the amount

calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other provision of law, this section shall not apply to the 1992–93 fiscal year.

(d) Notwithstanding any other provision of law, this section shall not apply to the 1993–94 fiscal year.

SEC. 9. Section 41204.5 of the Education Code is amended to read:

41204.5. (a) The Legislature finds and declares this section to be in furtherance of the purposes set forth in Section 41204.

(b) Notwithstanding any other provision of law, for the 1992–93 fiscal year, the percentage of "General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would have been appropriated for those entities if the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code by statutes enacted during the 1991–92 Regular Session having the effect that property tax revenues are shifted from one or more counties, cities, or special districts to one or more school districts or community college districts, had been operative for the 1986–87 fiscal year.

(c) Notwithstanding any other provision of law, for the 1993–94 fiscal year and each year thereafter, the percentage of "General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would have been appropriated for those entities if the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code by statutes enacted during the 1991–92 Regular Session and the amendments made to that chapter by statutes enacted during the 1993–94 Regular Session having the effect that property tax revenues are shifted from one or more counties, cities, or special districts to one or more school districts or community college districts, had been operative for the 1986–87 fiscal year.

SEC. 10. Section 41204.6 is added to the Education Code, to read:

41204.6. Notwithstanding any other provisions of law, for the purposes of determining the minimum state school funding obligation pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution for the 1993–94 fiscal year and the supplemental appropriation for school districts and community college districts pursuant to subdivision (a) of Section 41203.5 of the Education Code for the 1993–94 fiscal year, the 1993–94 fiscal year "appropriations for all other programs and services from General Fund proceeds of taxes appropriated pursuant to Article XIII B of the California Constitution, excluding any revenues allocated

pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution," as used in subdivision (b) of Section 41203.5, shall be deemed to be appropriations for all other programs and services from General Fund proceeds of taxes appropriated pursuant to Article XIIIB of the California Constitution, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution, that would have been appropriated for those entities if the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code by statutes enacted during the 1993–94 Regular Session having the effect that property tax revenues are shifted from one or more counties, cities, or special districts to one or more school districts, county offices of education, or community college districts, had not been enacted.

SEC. 10.5. Section 41206 of the Education Code is amended to read:

41206. (a) For purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution, all determinations of percentages, amounts, revenues, appropriations, allocations, proceeds of taxes, increases in cost of living, or enrollments shall be based upon the best available estimate until actual data becomes available, and then upon actual data when it is available.

(b) (1) Within nine months following the end of any fiscal year, the Superintendent of Public Instruction and the Director of Finance shall recalculate, as necessary, and jointly certify all actual data pertaining to school districts, as defined, for the prior fiscal year. Any amount of funding required by subdivision (b) of Section 8 of Article XVI of the California Constitution to be appropriated to school districts for that year, less any amounts already appropriated for that year including any amounts appropriated for deficiencies pursuant to paragraph (2), shall be set aside by the Controller and, if not appropriated to school districts by the Legislature within 90 days, shall be allocated to school districts by the Controller in proportion to the enrollment in school districts as determined for purposes of Section 8.5 of Article XVI of the California Constitution.

(2) For purposes of Section 8 of Article XVI of the California Constitution, appropriations for deficiencies or prior year adjustments shall be deemed to be appropriations in the fiscal year in which the deficiencies or prior year adjustments occurred, unless otherwise provided by law.

(c) Within nine months following the end of any fiscal year, the Chancellor of the California Community Colleges and the Director of Finance shall recalculate, as necessary, and jointly certify all actual data pertaining to community college districts, as defined, for the prior fiscal year. Any amount of funding required by subdivision (b) of Section 8 of Article XVI of the California Constitution to be appropriated to community college districts for that year, less any amounts already appropriated for that year, shall be set aside by the Controller and, if not appropriated to community college districts by

the Legislature within 90 days, shall be allocated to community college districts by the Controller in proportion to the enrollment in community college districts as determined for purposes of Section 8.5 of Article XVI of the California Constitution.

SEC. 10.7. Section 41206.1 is added to the Education Code, to read:

41206.1. Pursuant to Section 41206, the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, and the Controller shall ensure that the General Fund appropriations transferred to Sections A and B of the State School Fund include adjustments reflected in the amounts finally certified by the superintendent or the chancellor, respectively, at the annual certification of apportionments pursuant to Sections 41336, 41341, and 84320, for purposes of determining appropriations and allocations pursuant to Section 8 of Article XVI of the California Constitution.

SEC. 11. Section 41339 of the Education Code is amended to read:

41339. (a) The Superintendent of Public Instruction shall certify each apportionment made by him or her under Sections 41332 to 41340, inclusive, whichever are in effect, to the Controller.

(b) Ten working days prior to the dates prescribed in Sections 41330, 41332, and 41335, the superintendent shall notify the Joint Legislative Budget Committee and the Department of Finance of the average daily attendance numbers and the local property tax revenues to be utilized in the respective certification.

SEC. 12. Section 41601.3 is added to the Education Code, to read:

41601.3. Notwithstanding any other provision of law, participation in on-the-job work experience education by a pupil enrolled in continuation education shall not be included in the determination of that pupil's total days of attendance for the purposes of calculating average daily attendance pursuant to subdivision (a) of Section 41601 unless the pupil is 18 years of age or less or has been continuously enrolled in a kindergarten to grade 12 program since his or her 18th birthday.

SEC. 13. Section 42238.14 is added to the Education Code, to read:

42238.14. For the purposes of this article, the revenue limit for the 1993–94 fiscal year for each school district determined pursuant to this article and adjusted pursuant to Section 42238.16 shall be reduced by a 8.14 percent deficit factor.

SEC. 14. Section 42238.145 is added to the Education Code, to read:

42238.145. (a) For the purposes of this article, the revenue limit for the 1994–95 fiscal year for each school district determined pursuant to this article and adjusted pursuant to Section 42238.16 shall be reduced by a deficit factor calculated as follows:

$$100 - \frac{(91.86 \times 100)}{(100 + C)}$$

For purposes of this calculation, "C" is the percentage determined pursuant to subdivision (b) of Section 42238.1 for the 1994–95 fiscal year.

(b) Notwithstanding subdivision (a), the revenue limit for each school district for the 1995–96 fiscal year, and each fiscal year thereafter, shall be determined as if the revenue limit for that school district had been determined for the 1994–95 fiscal year without being reduced by that deficit factor.

SEC. 15. Section 42238.16 is added to the Education Code, to read:

42238.16. (a) Notwithstanding any other provision of law, the county superintendent shall increase or decrease, as appropriate, the total revenue limit computed pursuant to Section 42238 by the amount of the increased or decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of the act adding this section, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System, through the current fiscal year.

(b) For the 1993–94 fiscal year, the base revenue limit per average daily attendance for each school district computed pursuant to Section 42238 shall be reduced by the 1992–93 Public Employees' Retirement System reduction computed pursuant to Provision 7 of Item 6110-101-001 of Section 2.00 of the Budget Act of 1992, excluding Investment Dividend Disbursement Account (IDDA) and Extraordinary Performance Dividend Account (EPDA) credits, divided by the sum of the following:

(1) The district's average daily attendance for 1992–93 computed pursuant to Section 42238.5.

(2) The units of average daily attendance in 1992–93 resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(c) (1) The increase or decrease shall be calculated for the 1993–94 fiscal year and each fiscal year thereafter by determining the amount of employer contributions that would have been made in the current fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect was 7.578 percent. For purposes of this calculation, no school district shall have a contribution rate higher than 7.578 percent.

(2) If the rate computed for the current fiscal year is less than 7.578 percent, the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year

shall be subtracted from the amount determined in paragraph (1). This amount shall be deducted from the total revenue limit computed pursuant to Section 42238. If the rate computed for the current fiscal year is greater than 7.578 percent, the amount determined in subdivision (a) shall be subtracted from the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year. This amount shall be added to the total base revenue limit computed pursuant to Section 42238.

(3) For the purposes of this section, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation made pursuant to this section:

(A) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6.

(C) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars ($25,000) by any single education agency, from a non-General Fund revenue source determined on the basis of equity to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

SEC. 16. Section 42238.17 is added to the Education Code, to read:

42238.17. Notwithstanding any other provision of law, for any school district that was reorganized effective July 1, 1992, as a unified school district and that is congruent to a school district that was reorganized as an elementary school district effective July 1, 1990, the Superintendent of Public Instruction shall compute apportionments using the following data:

(a) For the purposes of paragraph (1) of subdivision (d) of Section 42238 for the 1990–91 and 1991–92 fiscal years, the superintendent shall use the actual number of units of average daily attendance for the 1990–91 fiscal year second principal apportionments.

(b) For the purposes of paragraph (1) of subdivision (d) of Section 42238, for the 1992–93 fiscal year and each fiscal year thereafter, the superintendent shall use the actual number of units of average daily attendance for the 1992–93 fiscal year second principal apportionment.

SEC. 17. Section 42238.18 is added to the Education Code, to read:

42238.18. (a) Notwithstanding any other provision of law, only those pupils enrolled in county office of education programs while detained in a juvenile hall, juvenile home, day center, juvenile ranch, juvenile camp, or regional youth educational facility established pursuant to Article 14 (commencing with Section 850), Article 15 (commencing with Section 880), and Article 24.5 (commencing with

Section 894) of Chapter 2 of Division 2 of the Welfare and Institutions Code shall be counted as juvenile court school pupils. For purposes of apportionments, those pupils in any group home housing 25 or more children placed pursuant to Sections 362, 727, and 730 of the Welfare and Institutions Code or in any group home housing 25 or more children and operating one or more additional sites under a central administration for children placed pursuant to Section 362, 727, or 730 of the Welfare and Institutions Code shall be reported as county group home and institutions pupils to the Superintendent of Public Instruction and shall be counted as juvenile court school pupils for purposes of apportionments.

(b) Notwithstanding any other provision of law, any county superintendent of schools operating juvenile court schools, county group home and institutions schools, or community schools, or any combination of these schools shall maintain an account in their general fund to be known as the juvenile court and community school account, and shall deposit all funds derived from the operation of juvenile court, county group home and institutions schools, and community schools into that account. Expenditures from the juvenile court and community school account shall be limited to the following:

(1) Those expenditures defined as direct costs of instructional programs by the California State School Accounting Manual.

(2) Expenditures that are defined as documented direct support costs by the California State School Accounting Manual, however, costs charged for probation officers shall be limited to not more than the number of full-time equivalent probation officers paid for by the county office of education during the 1988–89 fiscal year.

(3) Expenditures that are defined as allocated direct support costs by the California State School Accounting Manual.

(4) Other expenditures for support and indirect charges. However, these charges may not exceed 10 percent of the sum of the expenditures in paragraphs (1), (2), and (3).

Expenditures that represent contract payments to other agencies for the operation of juvenile court and community school programs shall be included in the juvenile court and community school account and the contract costs distributed to the cost categories defined in paragraphs (1), (2), (3), and (4). At the end of any given school year the net ending balance in the juvenile court and community school account may be distributed to a reserved account for economic contingencies or to a reserved account for capital outlay, provided that the combined total transferred does not exceed 15 percent of the previous year's authorized expenditures as specified above and also provided that funds placed in the reserved accounts shall only be expended for juvenile court, county group home and institutions, or community school programs. The net ending balance, except for those funds placed in a capital outlay fund, shall not exceed 15 percent of the previous year's expenditures. A county may accumulate over a period of two or more given school years a net

ending balance in the capital outlay reserved account of more than 15 percent of the previous fiscal year's expenditures under provisions of a resolution of the governing board. Funds in the capital outlay reserve are to be used for capital outlay only. The Superintendent of Public Instruction shall require an annual certification by county superintendents of schools beginning in the 1989–90 fiscal year that juvenile court, county group home and institutions, and community school funds have been expended as provided in this section and shall withhold from the subsequent year's apportionment an amount equal to any ending balance in the juvenile court and community school account in excess of the transfers to reserves for economic contingencies and capital outlay as described in this section.

(c) Notwithstanding any other provision of law, only pupils except those permitted pursuant to subdivisions (a), (b), and (d) of Section 1981, who are referred by the county probation department under Section 601 or 654 of the Welfare and Institutions Code, after an individualized review and certification of the appropriateness of enrollment in the county group home and institution's school or county community school, shall be enrolled and eligible for apportionments in county community schools. The individualized review shall include representatives of the court, the county department of education, the county probation department, and either the school district of residence or, in cases in which the pupil resides in a group home or institution, the school district in which the group home or institution is located, and, in each case, the school district representative shall agree to the appropriateness of the proposed placement and pupils so placed shall have a probation officer assigned to their case.

SEC. 18. Section 42238.19 is added to the Education Code, to read:

42238.19. For federal audit actions that became final by entry of judgment or final administrative decision on or after July 1, 1987, and that require repayment of funds to the federal government by the State Department of Education for federal audit exceptions based on findings in any school district or any other agency receiving federal funds through the department, the amount of the repayments, with interest due the federal government, may be deducted from the apportionment made to those districts or agencies by the Superintendent of Public Instruction. The amount that is repaid to the state under the provisions of Section 459 of the General Education Provisions Act (20 U.S.C. Sec. 1234h) shall be apportioned to the district in accordance with any grant back plan submitted by the district and the department and approved by the United States Department of Education.

SEC. 19. Section 42243.6 of the Education Code is amended to read:

42243.6. (a) A school district may be reimbursed by the amount necessary to pay costs mandated by the courts, as defined in Section 2205 of the Revenue and Taxation Code, pursuant to final court

orders issued after January 1, 1978, to pay costs mandated by the federal government, as defined in Section 2206 of the Revenue and Taxation Code, pursuant to any federal statutes or regulations enacted or issued after January 1, 1978, and to pay costs mandated by an initiative enactment, as defined in Section 2206.5 of the Revenue and Taxation Code, by means of any initiative statutes or amendments adopted or enacted after January 1, 1978.

(b) Prior to submitting to the Controller any claim for the payment of prior year actual costs pursuant to this section, a school district shall subject the claim to audit in accordance with the standards and procedures established pursuant to subdivision (b) of Section 42246. Each claim for the payment of actual costs submitted to the Controller shall be accompanied by the audit and any related reports issued by the entity performing the audit, unless the school district contracts with the Controller for the performance of the audit. This subdivision is not intended to require that estimated current year claims be subjected to audit prior to submission to the Controller.

(c) The Controller shall reimburse a claim for the payment of actual costs pursuant to this section, or any portion of that claim, only to the extent that the claim is submitted in compliance with subdivision (b).

(d) A claim submitted pursuant to this section may include the full costs of performing the audit described in subdivision (b).

(e) Prior to payment, the Controller shall review any request for reimbursement under this section and any data related to the establishment thereof. If the Controller determines that the cost of reimbursement exceeds a limit which would be necessary to meet the federally mandated, initiative-mandated, or court-mandated costs, or if the Controller determines that the cost of reimbursement has been increased to pay any cost mandated by a court which has resulted from litigation entered into in order to avoid the revenue limits established by this chapter, or if the Controller determines that a school district has erroneously concluded that it is subject to costs mandated by the courts or costs mandated by the federal government, or if the Controller determines that the amount of the request is excessive or unreasonable, the Controller shall reduce the amount of the request by an appropriate amount.

(f) Any amount heretofore or hereafter established pursuant to the provisions of this section shall not be invalidated and may continue to be in effect to meet recurring costs resulting from any program or activity undertaken or implemented by a school district in order to comply with a mandate by the federal government, by initiative enactment, or by the courts, notwithstanding the reversal, repeal, stay, or invalidation of that mandate, if the reversal, repeal, stay, or invalidation of the mandate occurred or occurs after the school district has received reimbursement pursuant to this section to satisfy continuing contractual obligations entered into in order to undertake, implement, or continue the mandated program or

activity.

The reimbursement shall not continue in effect if the reversal, repeal, stay, or invalidation of the mandate is upheld by a final court order.

SEC. 20. Section 42243.9 of the Education Code is amended to read:

42243.9. The governing board of any school district maintaining a program designed to remedy the harmful effects of racial segregation that originated under a court mandate may, in accordance with procedures established by the Commission on State Mandates, submit a claim for reimbursement to the Controller for the costs of the program not otherwise reimbursed due to insufficient funds under Section 42243.6, or any other provision of law. Any claim for the payment of actual costs under this section shall be submitted in accordance with the standards and procedures established pursuant to subdivision (b) of Section 42246. The Controller shall review each claim submitted and shall approve reimbursement for the full costs of these programs not otherwise reimbursed, except that, as to a claim for the payment of actual costs, the Controller shall provide reimbursement only to the extent that the claim is submitted in compliance with the standards and procedures established pursuant to subdivision (b) of Section 42246 and the claim otherwise would not be reimbursed. Claims for reimbursement shall be approved only for school districts which are eligible to receive reimbursement for programs to remedy the harmful effects of racial segregation under Section 42243.6. This section is not intended to require that estimated current year claims be subjected to audit prior to submission to the Controller.

SEC. 21. Section 42246 of the Education Code is amended to read:

42246. (a) For the purposes of this article, the Superintendent of Public Instruction shall prescribe regulations that will provide consistent and uniform implementation of the law herein, except as specified in subdivision (b).

(b) The Controller shall establish standards and procedures governing the auditing of claims by school districts for the payment of actual costs as necessary to ensure compliance with Sections 42243.6, 42243.8, 42243.9, 42247, 42247.1, 42247.2, 42247.3, 42247.4, 42248, 42249, and 42249.2, and to determine all of the following:

(1) That the costs and programs are for the purposes of desegregation or alleviation of the harmful effects of racial segregation, as provided in the plan submitted by the school district pursuant to Section 42247.1.

(2) That the costs are costs in excess of the school district's expenditure levels for regular educational programs.

(3) That the costs are neither excessive nor unreasonable.

(c) The Controller shall make available to school districts the standards and procedures established pursuant to subdivision (b), and shall update the standards and procedures as may be required.

SEC. 22. Section 42247 of the Education Code is amended to read:

42247. (a) Notwithstanding any other provision of law, reimbursements authorized by Sections 42243.9 and 42249 for desegregation costs incurred in the 1985–86 fiscal year, and each fiscal year thereafter, shall not exceed the following amounts:

(1) For desegregation programs operating pursuant to a final court order issued prior to the effective date of this section, or January 1, 1986, as appropriate, the amount calculated pursuant to Section 42247.3.

(2) For desegregation programs initiated after the 1984–85 fiscal year, the amount in excess of one-fifth of the audited costs approved by the Controller for the first full year of operation, adjusted pursuant to Section 42247.2, provided that the school district has contributed in the prior fiscal year not less than one-fifth of the audited costs approved by the Controller for that fiscal year. For purposes of this paragraph, desegregation programs initiated after the 1984–85 fiscal year shall not include expansion of desegregation activities by school districts that were reimbursed pursuant to Section 42249 for desegregation costs incurred during the 1984–85 fiscal year, except as otherwise provided by Section 42247.2.

(3) For all other desegregation programs, the amount in excess of one-fifth of the audited desegregation costs approved by the Controller and incurred in the 1984–85 fiscal year, adjusted pursuant to Section 42247.2, provided that the school district has contributed in the prior fiscal year not less than one-fifth of the audited costs approved by the Controller for that fiscal year.

(b) Claims for reimbursement of desegregation program costs shall be subject to audit by the Controller to determine all of the following:

(1) That the costs and programs are for purposes of desegregation or alleviation of the harmful effects of racial segregation, as provided in the plan submitted by the district pursuant to Section 42247.1.

(2) That the costs are costs in excess of the district's expenditure levels for regular educational programs.

(3) That the costs are neither excessive nor unreasonable.

(c) School districts shall subject any claim for the reimbursement of actual desegregation program costs to audit in accordance with the standards and procedures established pursuant to subdivision (b) of Section 42246. Each claim for the payment of actual costs submitted to the Controller shall be accompanied by the audit any any related reports issued by the entity performing the audit, unless the school district contracts with the Controller for the performance of the audit. This subdivision is not intended to require that estimated current year claims be subjected to audit prior to submission to the Controller.

(d) Claims for reimbursement of desegregation program costs shall not include costs for school construction, reconstruction, replacement of facilities, purchase of facilities, purchase of land, or modernization of facilities.

SEC. 23. Section 42247.2 of the Education Code is amended to

read:

42247.2. The amount of reimbursement authorized by Section 42247 shall be increased annually by the percentage increase calculated pursuant to Section 42238.1, and by the percentage increase in each participating districts' total average daily attendance from the prior fiscal year.

SEC. 24. Section 42249.2 of the Education Code is amended to read:

42249.2. (a) Notwithstanding any other provision of law, a school district that meets all of the following conditions shall be reimbursed pursuant to Section 42249 based on costs incurred in the 1981–82 fiscal year:

(1) The district developed a voluntary desegregation plan in the 1980–81 fiscal year.

(2) The district's voluntary desegregation plan was first implemented in the 1981–82 fiscal year.

(3) The district has filed a claim for costs incurred in the 1983–84 and 1984–85 fiscal years prior to the effective date of this section.

(b) A school district that has not filed a claim pursuant to Section 42249 for the 1983–84 or 1984–85 fiscal year prior to July 8, 1985, shall not be eligible for reimbursement for costs incurred in those fiscal years, except that any district that filed a claim pursuant to Section 42249 for the 1984–85 or 1985–86 fiscal year prior to November 30, 1985, shall be eligible for reimbursement for costs incurred in the 1984–85 fiscal year. Any such district shall be eligible for reimbursement for the 1985–86 fiscal year and any fiscal year thereafter on the basis of audited desegregation costs incurred during the 1984–85 fiscal year as if approved by the Controller pursuant to Section 42247.

(c) (1) Commencing with the 1985–86 fiscal year, and each fiscal year thereafter, to be eligible to receive reimbursement pursuant to Section 42249 a district shall submit an estimated cost claim to the Superintendent of Public Instruction and the Controller on or before November 30 of that fiscal year. An estimated cost claim may include the full costs of performing the audit required pursuant to paragraph (2). This subdivision is not intended to require that estimated current year claims be subjected to audit prior to submission to the Controller.

(2) School districts shall subject any claim for the payment of actual costs under this subdivision to audit in accordance with the standards and procedures established pursuant to subdivision (b) of Section 42246.

SEC. 25. Section 46010.3 is added to the Education Code, to read:

46010.3. Notwithstanding subdivision (a) of Section 46010 or any other provision of law, for purposes of calculating days of attendance in order to compute any apportionment of state funding under this code, a pupil enrolled in a regular day class, including opportunity classes and classes conducted in county community schools, for the minimum day that is applicable to that pupil is deemed to be present

for the entire schoolday, unless he or she is absent for the entire schoolday. This section does not apply to any pupil whose attendance is required under this code, or under Title 5 of the California Code of Regulations, to be recorded by clock hours.

SEC. 26. Section 46015 is added to the Education Code, to read:

46015. The absence of any pupil may be claimed for apportionment credit pursuant to Section 46010 only if an employee of the school district or county office of education verifies and records the reason for the absence not more than four calendar weeks after its occurrence. "Four calendar weeks" means 20 schooldays, not to exceed 14 calendar days after the last schoolday of the school year.

SEC. 27. Section 46300.2 is added to the Education Code, to read:

46300.2. The State Department of Education shall apportion funds for community school and independent study average daily attendance only for average daily attendance claimed by school districts and county superintendents of schools for pupils who officially reside in the county in which the apportionment claim is reported, or who officially reside in a county immediately adjacent to the county in which the apportionment claim is reported.

SEC. 28. Section 46300.6 is added to the Education Code, to read:

46300.6. The State Department of Education shall not apportion funds to a local education agency for a pupil in the independent study program if that agency has provided any funds or other things of value to the pupil or his or her parent or guardian that the agency does not provide to pupils who attend regular classes or to their parents or guardians.

SEC. 29. Section 46300.7 is added to the Education Code, to read:

46300.7. Notwithstanding any other provision of law, no school district or county office of education shall receive apportionments for any pupil in independent study unless that entity receives written permission from the parent or guardian of the pupil prior to the commencement of independent study by that pupil. The written permission shall specify the actual dates of participation, the methods of study and evaluation, and the resources to be made available for the independent study program for the pupil.

SEC. 30. Section 51216 of the Education Code is amended to read:

51216. (a) The governing board of each district shall take appropriate steps to ensure that the progress towards proficiency in basic skills is assessed in the English language during the regular instructional program at least once during the 4th through 6th grade experience, once during the 7th through 9th grade experience and twice during the 10th through 11th grade experience. If a district determines that a pupil who has been identified as limited-English proficient pursuant to Section 52164.1 does not possess sufficient English language skills to be assessed for basic skills proficiency in the English language, the district may defer the assessment for a period of up to 24 calendar months of enrollment in the California public school system until the pupil has met the reclassification criteria

pursuant to Section 52164.6 and completed six months of instruction in reading, writing, and comprehension in the English language subsequent to his or her reclassification. The prescribed six months of instruction in reading, writing, and comprehension in the English language shall be provided within the maximum 24-month assessment deferment period required under this section. Each pupil enrolled in grades 4, 5, and 6 shall be tested at least once in grades 4 to 8, inclusive, within 24 months of his or her enrollment in the school.

However, a limited-English-proficient pupil shall be assessed for basic skills in the English language upon his or her own request or upon the request of his or her parent or guardian. A school district may grant reciprocity in proficiency assessment results from another school district for a pupil in any grade, except 12th grade, who has transferred from that district. However, no school district shall reassess for purposes of graduation eligibility any pupil in 12th grade who has demonstrated proficiency up to the prescribed level for high school graduation. Nothing in this section shall preclude any district from conducting an assessment of any pupil in English and in the native language of such pupil.

(b) Proficiency assessments shall be used to determine whether pupils need additional assistance in basic skills, and if so, the appropriate content and mode of any additional assistance. No individual English-speaking pupil or limited-English-proficient pupil shall receive a high school diploma unless he or she has passed the English language proficiency assessment normally required for graduation.

It is the intent of the Legislature that pupil assessments measure the progress of each pupil in mastering basic skills rather than the pupil's performance relative to his or her classmates.

It is the intent of the Legislature that the governing board of each school district make every effort possible to periodically screen assessment instruments for racial, cultural, and sexual bias.

(c) (1) In the case of any pupil who does not demonstrate sufficient progress toward mastery of basic skills so that he or she will be able to meet prescribed standards upon exit from the 6th, 8th, or 12th grade, whichever is appropriate, the principal may arrange a conference among the parent or guardian of the pupil and a certificated employee familiar with the pupil's progress to discuss the results of the individual pupil assessment and recommended actions to further the pupil's progress.

(2) The conference to discuss the results of the individual assessment may be conducted on an individual basis among the parent or guardian of the pupil, the certificated employee familiar with the pupil's progress, and the pupil, as the case may be.

(3) If those conferences are conducted on a group basis, the pupil or the parent or guardian may request, and may be granted, a conference on an individual basis without having to attend the group conference.

(4) The secondary school pupil shall attend the conference. The elementary school pupil shall attend the conference unless the principal's designee and the parent or guardian agree that his or her presence would not be in the pupil's best interest.

(5) The pupil and the parent or guardian may be requested in writing to attend the conference. The notice may be written in the primary language of the parent or guardian, whenever practicable. If the conference is to be conducted on a group basis, the notice may specify the right of the pupil or the parent or guardian to request and be granted a conference on an individual basis without having to attend the group conference.

Notices to pupils in grades 9 to 12 shall inform the parent or guardian that the pupil shall not receive a high school diploma unless the prescribed standards are met.

(6) Absent a response from the parent or guardian the school may communicate directly the information contained in the written request.

(7) At the conference, the instructional program which shall be provided to assist the pupil to master basic skills shall be described. If the parent or guardian does not attend the conference, that information shall be communicated to the parent or guardian by other means within 10 days of the date of the conference.

(d) Instruction in basic skills shall be provided for any pupil who does not demonstrate sufficient progress toward mastery of basic skills and shall continue until the pupil has been given numerous opportunities to achieve mastery. That instruction may be provided in summer school programs. Pupils who a district determines do not possess sufficient English language skills to be assessed for basic skills proficiency in the English language shall be deemed not to demonstrate sufficient progress towards mastery of basic skills for purposes of this section. The appropriate contents and mode of the remediation assistance for pupils of limited English proficiency who are not assessed in the English language for their proficiency in basic skills pursuant to this section shall be based upon, but need not be limited to, the diagnostic assessment procedures prescribed by Section 52164.1.

SEC. 31. Section 51226 of the Education Code is amended to read:

51226. The Superintendent of Public Instruction shall coordinate the development, on a cyclical basis, of model curriculum standards for the course of study required by Section 51225.3 and for a vocational education course of study necessary to assist school districts with complying with subdivision (b) of Section 51228. The superintendent shall set forth these standards in terms of a wide range of specific competencies, including higher level skills, in each academic subject area. The superintendent shall review currently available textbooks in conjunction with the curriculum standards. The superintendent shall seek the advice of classroom teachers, school administrators, parents, postsecondary educators, and representatives of business and industry in developing these

curriculum standards. The superintendent shall recommend policies to the State Board of Education for consideration and adoption by the board. The State Board of Education shall adopt these policies no later than January 1, 1985. However, neither the superintendent nor the board shall adopt rules or regulations for course content or methods of instruction.

The superintendent shall, to the extent applicable, incorporate the integration of vocational and academic education into the development of curriculum standards for vocational education courses. The standards for a vocational education course of study shall be adopted no later than May 1, 1991.

SEC. 32. Section 51747.3 is added to the Education Code, to read:

51747.3. (a) No local education agency may claim state funding for the independent study of a pupil, whether characterized as home study or otherwise, if the agency has provided any funds or other thing of value to the pupil or his or her parent or guardian that the agency does not provide to students who attend regular classes or to their parents or guardians.

(b) Notwithstanding any other provision of law, community school and independent study average daily attendance shall be claimed by school districts and county superintendents of schools only for pupils who are residents of the county in which the apportionment claim is reported, or who are residents of a county immediately adjacent to the county in which the apportionment claim is reported.

(c) The Superintendent of Public Instruction shall not apportion funds for reported average daily attendance, through full-time independent study, of pupils who are enrolled in school pursuant to subdivision (f) of Section 48204.

(d) In conformity with Provisions 25 and 28 of Section 2.00 of the Budget Act of 1992, this section is applicable to average daily attendance reported for apportionment purposes beginning July 1, 1992. The provisions of this section are not subject to waiver by the State Board of Education, by the State Superintendent of Public Instruction, or under any provision of Part 26.8 (commencing with Section 47600).

SEC. 33. Section 66161.5 of the Education Code is amended to read:

66161.5. (a) For the 1991–92 academic year, notwithstanding Sections 66156, 66158, 66160, and 66161, the Trustees of the California State University are authorized to increase fees by an amount not to exceed 20 percent of the fee fixed for the prior academic year. The full amount of the fee increase authorized pursuant to this subdivision shall be included in the base fee level for the 1992–93 academic year, and each academic year thereafter.

(b) For the 1992–93 academic year, notwithstanding Sections 66156, 66158, 66160, and 66161, the Trustees of the California State University are authorized to increase fees by an amount not to exceed 40 percent of the fee fixed for the 1991–92 academic year. The

amount of the fee increase for the 1992–93 academic year shall be included in the base fee for the 1993–94 academic year, and each academic year thereafter.

SEC. 34. Section 76300 of the Education Code, as added by Chapter 8 of the Statutes of 1993, is amended to read:

76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) The fee prescribed by this section shall be fifteen dollars ($15) per unit per semester up to a total not to exceed one hundred fifty dollars ($150) per student per semester.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts, 98 percent of the revenues received by districts from charging a fee pursuant to this section or from fees defrayed pursuant to subdivisions (g) and (h) shall be deemed to be local property tax revenue within the meaning of Section 84751.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84711.

(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be defrayed pursuant to Section 76310 for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program.

(h) The fee requirements of this section shall be defrayed pursuant to Section 76310 for any student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the

active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, means a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) Student financial aid funds appropriated for the purpose of assisting students to pay the fee required by this section may be awarded without regard to the requirements of Chapter 2 (commencing with Section 69500) of Part 42.

(j) The board of governors shall adopt regulations implementing this section.

(k) This section shall remain in effect only until July 1, 1995, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1995, deletes or extends that date.

SEC. 35. Section 84751 is added to the Education Code, to read:

84751. In calculating each community college district's revenue level for each fiscal year pursuant to subdivision (a) of Section 84750, the chancellor shall subtract, from the total revenues owed, all of the following:

(a) The local property tax revenue specified by law for general operating support, exclusive of bond interest and redemption.

(b) Ninety-eight percent of the fee revenues collected pursuant to Section 76300 and moneys received for fees defrayed pursuant to subdivisions (g) and (h) of that section.

(c) Motor vehicle license fees received pursuant to Section 11003.4 of the Revenue and Taxation Code.

(d) Timber yield tax revenue received pursuant to Section 38905 of the Revenue and Taxation Code.

SEC. 35.5. Section 97.5 of the Revenue and Taxation Code is amended to read:

97.5. Except as otherwise provided in Section 97.51 or 97.52, for the purpose of apportioning property tax revenues each fiscal year:

(a) The amount of property tax revenue allocated pursuant to subdivisions (a) and (b) of Section 96 or subdivision (a) of Section 97, modified by any adjustments made pursuant to Section 99 or 99.4, and subdivision (e) of Section 98, shall be combined to compute the total amount of property tax revenue allocated to the jurisdiction with respect to the tax rate area.

(b) The total amount of property tax revenue allocated to each jurisdiction with respect to all tax rate areas as determined pursuant to subdivision (a) shall be added to compute a total amount of property tax revenue for a jurisdiction in all tax rate areas.

(c) Each amount determined pursuant to subdivision (b) shall be divided by the total of all such amounts computed. The quotient determined shall be used to apportion actual property tax collections and shall be known as the "property tax apportionment factors."

(d) (1) Notwithstanding any other provision of law, for the 1990–91 fiscal year and each fiscal year thereafter, the auditor shall divide the sum of the amounts calculated with respect to each

jurisdiction or community redevelopment agency pursuant to Sections 97, 98.6, and 98.9, and Section 33670 of the Health and Safety Code, by the countywide total of those calculated amounts. The resulting ratio shall be known as the "administrative cost apportionment factor" and shall be multiplied by the sum of the property tax administrative costs incurred in the immediately preceding fiscal year by the assessor, tax collector, and auditor to determine the fiscal year property tax administrative costs proportionately attributable to each jurisdiction or community redevelopment agency. For purposes of this paragraph, property tax administrative costs shall also include applicable administrative overhead costs allowed by the federal Office of Management and Budget Circular A-87 standards, but shall not include any amount reimbursed pursuant to Sections 75.60 and 98.6, or include any amount in excess of the amounts reimbursable pursuant to Section 75.60, unless a county meets the conditions of paragraph (2) of subdivision (b) of Section 75.60.

(2) Each proportionate share of property tax administrative costs determined pursuant to paragraph (1), except for those proportionate shares determined with respect to a school entity, shall be deducted from the property tax revenue allocation of the relevant jurisdiction or community redevelopment agency, and shall be added to the property tax revenue allocation of the county. For purposes of applying this paragraph for the 1990–91 fiscal year, each proportionate share of property tax administrative costs shall be deducted from those amounts allocated to the relevant jurisdiction or community redevelopment agency after January 1, 1991.

(4) Reductions made pursuant to this subdivision to property tax revenue allocations shall be made without regard to Section 907 of the Government Code.

(5) Any additional amounts of property tax revenue allocated to the county pursuant to this subdivision shall be used only to fund costs incurred by the county in assessing and collecting property taxes, and in allocating property tax revenues, and shall constitute charges for those services, not exceeding the actual and reasonable costs incurred by the county in performing those services.

(6) It is the intent of the Legislature in enacting this subdivision to recognize that since the adoption of Article XIII A of the California Constitution by the voters, county governments have borne an unfair and disproportionate part of the financial burden of assessing, collecting, and allocating property tax revenues for other jurisdictions and for redevelopment agencies. The Legislature finds and declares that this subdivision is intended to fairly apportion the burden of collecting property tax revenues and is not a reallocation of property tax revenue shares or a transfer of any financial or program responsibility.

(7) Commencing with the 1992–93 fiscal year and each fiscal year thereafter, this subdivision shall supersede and replace subdivisions (e), (f), and (g) of Section 97, as that section read on January 1, 1992,

as authority for a county to recover property tax administrative costs.

(e) For 1980–81 and each year thereafter, the property tax apportionment factors for the current year shall be used to apportion the total amount paid to a county annually for reimbursement of tax loss from business inventory exemptions pursuant to Chapter 1150 of the Statutes of 1979.

(f) For 1980–81 and each year thereafter, prior years' property tax revenues shall be apportioned using the factors determined pursuant to subdivision (c) for the immediately preceding fiscal year.

(g) For 1979–80, prior years' property tax revenues shall be apportioned using the tax allocation factors computed pursuant to Section 26912 of the Government Code.

(h) Notwithstanding the provisions of this section property tax revenues may be apportioned by tax rate area.

(i) Supplemental property tax revenues for 1985–86 and each year thereafter, generated by Sections 75 to 75.80, inclusive, shall be apportioned using the property tax apportionment factors for the current year.

(j) This section, as amended by Senate Bill 399 of the 1993–94 Regular Session, shall apply to the entire 1993–94 fiscal year, regardless of the operative date of Senate Bill 399, and to each fiscal year thereafter.

SEC. 36. Section 18 of Chapter 703 of the Statutes of 1992 is amended to read:

Sec. 18. Notwithstanding Section 2.00 of Chapter 118 of the Statutes of 1991, or any other provision of law, of the amounts set forth in Item 6110-101-001 of that section, the sum of one billion eighty-three million dollars ($1,083,000,000) shall be deemed to be and is hereby reclassified as an appropriation for the purposes of an emergency loan.

SEC. 37. Section 19 of Chapter 703 of the Statutes of 1992 is amended to read:

Sec. 19. (a) The emergency loan described in Section 18 of Chapter 703 of the Statutes of 1992, as amended by Section 36 of Senate Bill 399 of the 1993–94 Regular Session in the amount of one billion eighty-three million dollars ($1,083,000,000), shall be distributed to school districts for the 1991–92 fiscal year pursuant to Section 42238 of the Education Code in the same manner that funds are apportioned pursuant to Schedule (a) of Item 6110-101-001 of Section 2.00 of the Budget Act of 1991, as set forth in Chapter 118 of the Statutes of 1991.

(b) No interest payment shall be required with regard to the emergency loan described in Section 18 of Chapter 703 of the Statutes of 1992, as amended by Section 36 of Senate Bill 399 of the 1993–94 Regular Session. The repayment of that loan shall be governed by subdivisions (a) and (b) of Section 20 of Chapter 703 of the Statutes of 1992, as amended by Section 38 of Senate Bill 399 of the 1993–94 Regular Session.

(c) The emergency loan described in Section 18 of Chapter 703 of

the Statutes of 1992, as amended by Section 36 of Senate Bill 399 of the 1993–94 Regular Session, shall not be considered, for any fiscal year, to be either "General Fund revenues appropriated for school districts" or any part of "total allocations to school districts" for purposes of Section 8 of Article XVI of the California Constitution.

SEC. 38. Section 20 of Chapter 703 of the Statutes of 1992 is amended to read:

Sec. 20. (a) (1) The sum of one billion eighty-three million dollars ($1,083,000,000) is hereby appropriated from the General Fund for transfer to Section A of the State School Fund for apportionment to school districts for the 1992–93 fiscal year pursuant to Section 42238 of the Education Code.

(2) The sum appropriated pursuant to paragraph (1) shall be reduced by the amount of one billion eighty-three million dollars ($1,083,000,000) in discharge of the emergency loan described in Section 18 of Chapter 703 of the Statutes of 1992, as amended by Section 36 of Senate Bill 399 of the 1993–94 Regular Session.

(b) The appropriation made by paragraph (1) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts" for the 1992–93 fiscal year and included within "total allocations to school districts" for that fiscal year, for purposes of Section 8 of Article XVI of the California Constitution.

SEC. 39. Section 22 of Chapter 703 of the Statutes of 1992 is repealed.

SEC. 40. Section 23 of Chapter 703 of the Statutes of 1992 is repealed.

SEC. 41. Section 26 of Chapter 703 of the Statutes of 1992 is repealed.

SEC. 42. Section 27 of Chapter 703 of the Statutes of 1992 is repealed.

SEC. 43. Section 28 of Chapter 703 of the Statutes of 1992 is amended to read:

Sec. 28. (a) Subdivision (b) shall be operative in the event that any appellate court of this state determines that Section 41204.5 of the Education Code, as added by Section 4 of Chapter 703 of the Statutes of 1992, or that any portion of Sections 18, 19, and 20, of Chapter 703 of the Statutes of 1992, as amended by Sections 36, 37, and 38, respectively, of Senate Bill 399 of the 1993–94 Regular Session, is unconstitutional, unenforceable, or otherwise invalid.

(b) (1) Subject to subdivision (a), and pursuant to the authority set forth in subdivision (h) of Section 8 of Article XVI of the California Constitution, the Legislature hereby suspends for the 1992–93 fiscal year subdivision (b) of Section 8 of Article XVI of the California Constitution, except that subparagraph (B) of paragraph (3) of subdivision (b) of that section is not suspended for the 1992–93 fiscal year.

(2) The Legislature finds and declares that the state is faced with an unprecedented fiscal crisis and that successive years of declining revenue and increasing program costs have strained state resources

to the maximum. The Legislature further finds and declares that if the condition set forth in subdivision (a) occurs then the suspension of subdivision (b) of Section 8 of Article XVI, as set forth in paragraph (1), would be necessary in order to avoid substantial reductions in other state services, including, but not necessarily limited to, health care and subsistence programs.

(3) It is the intent of the Legislature that the amount of General Fund revenues appropriated for the support of school districts and community college districts that would otherwise be considered to be appropriated for the purposes of subdivision (b) of Section 8 of Article XVI not exceed fifteen billion five hundred thirty-seven million dollars ($15,537,000,000) for the 1992–93 fiscal year. It is further the intent of the Legislature that any amount appropriated in excess of that amount shall not be considered, for any fiscal year, to be either "General Fund revenues appropriated for school districts and community college districts" or any part of "total allocations to school districts and community college districts from General Fund proceeds of taxes" for the purposes of Section 8 of Article XVI of the California Constitution.

(4) This paragraph shall become operative if, pursuant to this subdivision, subdivision (b) of Section 8 of Article XVI of the California Constitution, excepting subparagraph (B) of paragraph (3) of subdivision (b) of Section 8, is suspended for the 1992–93 fiscal year because an appellate court of this state determines that any portion of Sections 18, 19, and 20, inclusive, of Chapter 703 of the Statutes of 1992, as amended by Sections 36, 37, and 38, respectively, of Senate Bill 399 of the 1993–94 Regular Session, is unconstitutional, unenforceable, or otherwise invalid. Notwithstanding any other provision of law, in the event of a suspension as described in this paragraph, the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, as calculated pursuant to paragraphs (2) and (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution for purposes of determining the minimum state school funding obligation under that constitutional provision for the 1993–94 fiscal year, shall be deemed to be the sum of the actual amounts allocated from these sources for the 1992–93 fiscal year, not including the amounts appropriated as emergency loans pursuant to Sections 21 and 25 of this act, and the amount of one billion eighty-three million dollars ($1,083,000,000). If this amount exceeds the constitutionally required minimum state school funding obligation, the difference shall be applied toward any outstanding maintenance factor obligation pursuant to subdivision (h) of Section 8 of Article XVI of the California Constitution.

SEC. 44. The Legislature finds and declares all of the following:

(a) Sections 18, 19, and 20 of Chapter 703 of the Statutes of 1992 were intended to be interrelated provisions that must be implemented as a unit, to accomplish all the following:

(1) To recapture the amount appropriated to the State School Fund for apportionment to school districts by Item 6110-101-001 of Section 2 of Chapter 118 of the Statutes of 1991 that was in excess of the minimum funding requirements for the 1991–92 fiscal year for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution, by reducing the appropriation made by that item by the amount of one billion eighty-three million dollars ($1,083,000,000).

(2) To appropriate one billion eighty-three million dollars ($1,083,000,000) as an emergency loan to school districts for the 1991–92 fiscal year to replace the amount of the reduction described in paragraph (1). The intent of the Legislature in making that reduction and that emergency loan is to reclassify as an appropriation of an emergency loan the amount appropriated to school districts in excess of the minimum funding requirements for the 1991–92 fiscal year for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(3) To withhold in the 1992–93 fiscal year, as repayment of that emergency loan, the amount of one billion eighty-three million dollars ($1,083,000,000) from an amount appropriated for that purpose to the State School Fund for apportionment to school districts for the 1992–93 fiscal year.

(b) Following the enactment of the Budget Act of 1992 (Chapter 587 of the Statutes of 1992), it became apparent that this intent of the Legislature in enacting Chapter 703 of the Statutes of 1992 might not be fully realized.

(c) Implementation of Chapter 703 of the Statutes of 1992, consistent with the intended purposes described in subdivision (a), is an essential element of the design of the 1992–93 fiscal year budget plan, as reflected in the Budget Act of 1992.

(d) Accordingly, Sections 36, 37, 38, and 43 of this act are necessary solely for the purpose of clarifying the intent of the Legislature in enacting Chapter 703 of the Statutes of 1992. The provisions of law set forth in Sections 36, 37, 38, and 43 of this act do not constitute a change in, but are declarative of, existing law as enacted by Chapter 703 of the Statutes of 1992. To this end, pertinent provisions of Chapter 703 of the Statutes of 1992 are amended and reenacted as set forth in this act.

SEC. 45. It is not the intent of the Legislature, in any provision of this act, to extinguish, expand, or in any way alter any cause of action or any statute of limitations enacted as part of Chapter 703 of the Statutes of 1992.

SEC. 46. Notwithstanding any other provision of law, if for any reason the reclassification of the sum of one billion eighty-three million dollars ($1,083,000,000) as an emergency loan pursuant to Section 18 of Chapter 703 of the Statutes of 1992, as amended by Section 36 of Senate Bill 399 of the 1993–94 Regular Session, is not implemented, in whole or in part, then there shall be no emergency

loan for distribution to school districts nor any appropriation for loan repayment as would otherwise be required by Sections 19 and 20 of Chapter 703 of the Statutes of 1992, as amended by Sections 37 and 38, respectively, of Senate Bill 399 of the 1993–94 Regular Session.

SEC. 47. (a) There is hereby appropriated one hundred eighteen thousand dollars ($118,000) from the General Fund to the Superintendent of Public Instruction for apportionment to the Sacramento County Office of Education for the purposes of Chapter 1358 of the Statutes of 1989.

(b) There is hereby appropriated one million seven hundred fifty thousand dollars ($1,750,000) from the General Fund to the Superintendent of Public Instruction for apportionment to the county offices of education in the following manner:

(1) One million dollars ($1,000,000) shall be for the purposes provided in paragraph (1) of subdivision (a) of Section 29 of Chapter 1213 of the Statutes of 1991.

(2) Seven hundred fifty thousand dollars ($750,000) shall be for allocation to a selected county office of education to meet the costs of participation under Section 42127.8 of the Education Code.

(c) Notwithstanding any other provision of law, for fiscal year 1993–94, the Superintendent of Public Instruction shall apportion not more than a total of one hundred sixty million eighty-five thousand dollars ($160,085,000) from all sources for the average daily attendance of pupils pursuant to subdivision (c) of Section 1981 of the Education Code.

(d) There is hereby appropriated fifty thousand dollars ($50,000) from the General Fund to the Superintendent of Public Instruction for apportionment to the Alameda County Office of Education for expenses associated with the oversight monitoring of the Oakland City School District.

SEC. 48. (a) The sum of six hundred eight million six hundred ninety-one thousand dollars ($608,691,000) is hereby appropriated from the General Fund for transfer to Section A of the State School Fund for apportionment to school districts and county superintendents of schools for the 1993–94 fiscal year as an emergency loan.

(b) The funds appropriated pursuant to subdivision (a) shall be distributed to county superintendents of schools and school districts for the 1993–94 fiscal year for the purposes of revenue limits as determined pursuant to Sections 2558.4 and 42238.14 of the Education Code, respectively.

(c) No interest payment shall be required with regard to the emergency loans authorized under subdivision (a). The repayment of that emergency loan shall be governed by statutory provisions that expressly address repayment of that emergency loan.

(d) The moneys appropriated for emergency loan purposes under subdivision (a) shall not be deemed, for any fiscal year, to be either "General Fund revenues appropriated for school districts" or any part of "total allocations to school districts" for purposes of Section

8 of Article XVI of the California Constitution.

SEC. 49. (a) The sum of one hundred seventy-eight million dollars ($178,000,000) is hereby appropriated from the General Fund for transfer to Section B of the State School Fund for apportionment to community college districts for the 1993–94 fiscal year as an emergency loan.

(b) The funds appropriated pursuant to subdivision (a) shall be allocated to community college districts for apportionments determined pursuant to Article 2 (commencing with Section 84750) of Chapter 5 of Part 50 of the Education Code, for the 1993–94 fiscal year.

(c) No interest payment shall be required with regard to the emergency loan authorized pursuant to subdivision (a). The repayment of that emergency loan shall be governed by statutory provision that expressly addresses that emergency loan.

(d) The moneys appropriated for emergency loan purposes under subdivision (a) shall not be deemed, for any fiscal year, to be either "General Fund revenues appropriated for community college districts" or any part of "total allocations to community college districts" for purposes of Section 8 of Article XVI of the California Constitution.

SEC. 50. The funds appropriated in Item 6110-230-001 of Section 2.00 of the Budget Act of 1993 for those programs listed in Provision 1 are in lieu of the amount that would otherwise be required to be appropriated pursuant to any other provision of law.

SEC. 51. Notwithstanding subdivision (a) of Section 46300 of the Education Code, in computing the average daily attendance claimed by the El Dorado County Office of Education for the 1989–90, 1990–91, and 1991–92 fiscal years there shall be included the attendance of pupils while engaged in educational activities required of those pupils in the El Dorado County's Rite of Passage Juvenile Delinquency Prevention Program.

SEC. 51.5. Notwithstanding any other provision of law, in the case of the Oakland Unified School District, the Controller shall identify the 1993–94 fiscal year as "the first full year of operations" for purposes of Section 42247 of the Education Code, provided that the amount of audited costs approved by the Controller for the first full year of operation shall not exceed nine million seven hundred thousand dollars ($9,700,000).

SEC. 52. Notwithstanding Section 2.00 of Chapter 587 of the Statutes of 1992, of the appropriation made under Schedule (a) of Item 6110-101-001 of that section, an amount equal to the amount appropriated for purposes of an emergency loan pursuant to Section 53 of this act shall revert, as of the effective date of this act, to the unappropriated balance of the General Fund.

SEC. 53. (a) The sum of one hundred ninety million, two hundred twenty-one thousand dollars ($190,221,000) is hereby appropriated from the General Fund for transfer to Section A of the State School Fund for apportionment to school districts as an

emergency loan for the 1992–93 fiscal year. That apportionment shall be distributed to school districts pursuant to Section 42238 of the Education Code in the same manner that funds are apportioned pursuant to Schedule (a) of Item 6110-101-001 of Section 2.00 of the Budget Act of 1992, as set forth in Chapter 587 of the Statutes of 1992.

(b) No interest payment shall be required with regard to the loan authorized under subdivision (a). The repayment of that loan shall be governed by statutory provisions that expressly addresses that loan.

(c) The moneys appropriated for loan purposes under subdivision (a) shall not be deemed, for any fiscal year, to be either "General Fund revenues appropriated for school districts" or any part of "total allocations to school districts" for purposes of Section 8 of Article XVI of the California Constitution.

SEC. 54. (a) (1) The sum of one hundred ninety million two hundred twenty-one thousand dollars ($190,221,000) is hereby appropriated from the General Fund for transfer to Section A of the State School Fund for apportionment to school districts for the 1993–94 fiscal year pursuant to Section 42238 of the Education Code.

(2) The sum appropriated pursuant to paragraph (1) shall be reduced by the amount of one hundred ninety million two hundred twenty-one thousand dollars ($190,221,000) in discharge of the emergency loan in that amount made to school districts from the General Fund pursuant to subdivision (a) of Section 53 of this act.

(b) The appropriation made by paragraph (1) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts" for the 1993–94 fiscal year and "total allocations to school districts" for that fiscal year, for purposes of Section 8 of Article XVI of the California Constitution.

(c) This section shall become operative July 1, 1993.

SEC. 55. Notwithstanding Section 2.00 of the Budget Act of 1990 (Chapter 467 of the Statutes of 1990), of the amount appropriated in Item 6110-196-001 of that Budget Act, the sum of twenty-five million four hundred twenty-three thousand dollars ($25,423,000) shall revert, as of the effective date of this act, to the unappropriated balance of the General Fund.

SEC. 56-57. Notwithstanding Section 2.00 of the Budget Act of 1992 (Chapter 587 of the Statutes of 1992), of the amount appropriated in Item 6110-101-001 of that Budget Act, twenty-four million seven hundred twenty-seven thousand dollars ($24,727,000) shall revert, as of the effective date of this act, to the unappropriated balance of the General Fund.

SEC. 58. Notwithstanding Section 2.00 of the Budget Act of 1992 (Chapter 587 of the Statutes of 1992), of the amount appropriated in Item 6110-101-001 of that act, the sum of eighty-six million seven hundred forty-five thousand dollars ($86,745,000) shall apply to the state school funding obligation, as determined under subdivision (b) of Section 8 of Article XVI of the California Constitution, for the 1991–92 fiscal year, the sum of five million two hundred

seventy-three thousand dollars ($5,273,000) shall apply to the state school funding obligation, as determined under subdivision (b) of Section 8 of Article XVI of the California Constitution, for the 1989–90 fiscal year, and the sum of six million one hundred forty-nine thousand dollars ($6,149,000) shall apply to the state school funding obligation for the 1988–89 fiscal year, rather than for the 1992–93 fiscal year.

SEC. 59. Subsequent to the reversion pursuant to Section 56 of this act, in the event there is a deficiency in the appropriation made in Schedule (a) of Item 6110-101-001 or Item 6110-106-001 of Chapter 587 of the Statutes of 1992, the Superintendent of Public Instruction may transfer funds between those items. The superintendent shall adjust the apportionments in those items so that the deficit factor for county offices of education is 1.63 percentage points greater than the deficit factor for school districts for the 1992-93 fiscal year.

SEC. 60. Notwithstanding Sections 1909 and 41841.5 of the Education Code, or any other provision of law, from funds appropriated for allocation pursuant to Sections 2558 and 41841.5 of the Education Code for each county office of education or school district that maintains schools or classes for prisoners in the 1993-94 fiscal year, the superintendent shall allow in the 1993–94 fiscal year an amount equal to the actual current expenses of the programs, but in no event shall the amount allowed exceed the statewide revenue limit at which those schools or classes were funded in the 1992–93 fiscal year, as adjusted by any cost-of-living adjustment funded in the Budget Act of 1993.

SEC. 61. (a) (1) The appropriations of emergency loans made in Sections 48 and 49 of this act and in Sections 21 and 25 of Chapter 703 of the Statutes of 1992 shall be considered as, and is hereby deemed to be, one loan to be repaid from amounts appropriated for the purpose of meeting the minimum funding requirements for school districts and community colleges imposed by Section 8 of Article XVI of the California Constitution.

(2) In any fiscal year in which this subdivision becomes operative pursuant to subdivision (b), one or more of the appropriations made in the Budget Act for that fiscal year for apportionment to school districts, county offices of education, and community college districts shall be reduced, as specified in that Budget Act, by a total amount determined pursuant to subdivision (c).

(b) Paragraph (2) of subdivision (a) shall become operative in any fiscal year in which, as estimated pursuant to Section 62 of this act, the total of the amounts arrived at pursuant to paragraphs (1), (2), and (3) is less than the amount arrived at pursuant to paragraph (4), as follows:

(1) An amount determined by multiplying the per pupil amount of funding provided for kindergarten and grades 1 to 12, inclusive, (hereafter K-12) pursuant to Section 8 of Article XVI of the California Constitution for the fiscal year prior to the fiscal year in which paragraph (2) of subdivision (a) becomes operative by the

average daily attendance of pupils enrolled in K-12 for the fiscal year in which paragraph (2) of subdivision (a) becomes operative. For purposes of this paragraph the "funding provided for K-12 by Section 8 of Article XVI of the California Constitution" is the General Fund revenues and allocated local proceeds of taxes provided for programs for K-12, adjusted for shifts between fiscal years in a manner that reflects the actual funding available to schools in the fiscal year in which paragraph (2) of subdivision (a) becomes operative and the fiscal year prior to that fiscal year.

(2) An amount calculated as the General Fund revenues and allocated local proceeds of taxes for community colleges in the fiscal year prior to the fiscal year in which paragraph (2) of subdivision (a) becomes operative, adjusted for growth in the adult population for the fiscal year in which paragraph (2) of subdivision (a) becomes operative, and adjusted for shifts between fiscal years in a manner that reflects the actual funding available to community colleges in the fiscal year in which paragraph (2) of subdivision (a) becomes operative and the fiscal year prior to that fiscal year.

(3) The General Fund amount appropriated to the state agencies identified in Section 41205 of the Education Code.

(4) Total General Fund revenues and allocated local proceeds of taxes as determined pursuant to Section 8 of Article XVI of the California Constitution for the fiscal year in which paragraph (2) of subdivision (a) becomes operative.

(c) The amount of loan repayment shall be calculated as 50 percent of the total amount determined pursuant to paragraph (1) or the amount determined pursuant to paragraph (2), as follows:

(1) Subtract the total of the amounts determined pursuant to paragraphs (1), (2), and (3) of subdivision (b) from the amount determined pursuant to paragraph (4) of subdivision (b).

(2) If the amount calculated in paragraph (1) exceeds the amount of any portion of the loan described in paragraph (1) that has not been repaid, the amount of loan repayment shall equal that portion of the loan that has not been repaid.

SEC. 62. The amounts in paragraphs (1) to (4), inclusive, of subdivision (b) of Section 61 of this act shall be calculated, for each fiscal year to which those paragraphs may apply, by the Department of Finance as estimates and shall be certified by the department to the Legislature annually not later than May 1 preceding each fiscal year. For purposes of paragraphs (1) to (4), inclusive, of subdivision (b) of Section 61 of this act, pupil enrollment shall be determined pursuant to Sections 14022 and 14022.3 of the Education Code.

SEC. 63. It is the intent of the Legislature that until such time as the condition defined in either subdivision (a) or (b) occurs, the aggregate sum of funds appropriated for the purposes of Section 8 of Article XVI of the California Constitution for education programs for kindergarten and grades 1 to 12, inclusive, (hereafter K-12), less any amounts appropriated for revenue limits for school districts and county offices of education and special education programs and

services, shall not exceed the total amount appropriated for those education programs for the 1993–94 fiscal year.

(a) A loan payment is made pursuant to Section 61 of this act.

(b) The aggregate sum of funds appropriated for the purposes of Section 8 of Article XVI of the California Constitution for education programs for K-12, is less than four thousand two hundred seventeen dollars ($4,217) per 'enrollment' as defined in subdivision (a) of Section 14022.3 of the Education Code. For the purposes of this subdivision, "the aggregate sum of funds appropriated for the purposes of Section 8 of Article XVI of the California Constitution for education programs for K-12' is General Fund revenues and allocated local proceeds of taxes provided to programs for K-12 pursuant to Section 8 of Article XVI of the California Constitution, adjusted for loans and shifts between fiscal years in a manner that reflects actual funding available for education programs for kindergarten and grades 1 to 12, inclusive, for the fiscal year in which this subdivision applies.

SEC. 64. Notwithstanding any provision of law to the contrary, for the 1993–94 and 1994–95 fiscal years, the Superintendent of Public Instruction shall certify to the Controller for purposes of Sections 14002, 14004, and 41301 of the Education Code amounts that do not exceed the amounts needed to fund school district revenue limits pursuant to Section 42238 of the Education Code, as adjusted pursuant to Sections 42238.14 and 42238.145 of the Education Code, and county office of education revenue limits pursuant to Section 2558 of the Education Code, as adjusted pursuant to Section 2558.4 and 2558.45 of the Education Code. In determining the amounts to be certified to the Controller, the Superintendent of Public Instruction shall include and reflect the emergency loan made and distributed pursuant to Section 48.

SEC. 65. Any judicial action or proceeding to challenge, review, set aside, void, or annul the provisions of Sections 18, 19, 20, and 28, of Chapter 703 of the Statutes of 1992, as amended by Sections 36, 37, 38, and 43, respectively, of Senate Bill 399 of the 1993–94 Regular Session or any other provision of this act, shall proceed by application or complaint filed within 45 days of the effective date of this act.

SEC. 66. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 67. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 68. (a) Subdivision (b) shall be operative in the event that any appellate court of this state determines that any of Sections 9, 36, 37, 38, 43, 48, or 49 of this act are unconstitutional, unenforceable, or otherwise invalid.

(b) (1) Subject to subdivision (a), and pursuant to the authority set forth in subdivision (h) of Section 8 of Article XVI of the California Constitution, the Legislature hereby suspends for the 1993–94 fiscal year subdivision (b) of Section 8 of Article XVI of the California Constitution, excepting subparagraph (B) of paragraph (3) of subdivision (b) of that section.

(2) The Legislature finds and declares that the state is faced with an unprecedented fiscal crisis and that successive years of declining revenue and increasing program costs have strained state resources to the maximum. The Legislature further finds and declares that, if the condition set forth in subdivision (a) occurs, the suspension of subdivision (b) of Section 8 of Article XVI, as set forth in paragraph (1), would be necessary in order to avoid substantial reductions in other state services, including health care and subsistence programs.

(3) It is the intent of the Legislature that the amount of General Fund revenues appropriated for the support of school districts and community college districts that would otherwise be considered to be appropriated for the purposes of subdivision (b) of Section 8 of Article XVI not exceed thirteen billion five hundred two million seven hundred ninety-three thousand dollars ($13,502,793,000) for the 1993–94 fiscal year. It is further the intent of the Legislature that any amount appropriated in excess of that amount shall not be considered, for any fiscal year, to be either "General Fund revenues appropriated for school districts and community college districts" or any part of "total allocations to school districts and community college districts from General Fund proceeds of taxes" for the purposes of Section 8 of Article XVI of the California Constitution.

SEC. 69. Under no circumstances shall the State Department of Education interpret or use Section 15 of Chapter 703 of the Statutes of 1992 as an appropriation.

SEC. 70. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or 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 essential changes in education-related financing at the earliest possible opportunity, it is necessary that this act take effect immediately.

CHAPTER 67

An act to amend Section 76300 of the Education Code, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 76300 of the Education Code is amended to read:

76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) The fee prescribed by this section shall be thirteen dollars ($13) per unit per semester.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts, 98 percent of the revenues received by districts from charging a fee pursuant to this section or from fees defrayed pursuant to subdivisions (g) and (h) shall be deemed to be local property tax revenue within the meaning of Section 84751.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84711.

(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be defrayed pursuant to Section 76310 for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance

program.

(h) The fee requirements of this section shall be defrayed pursuant to Section 76310 for any student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, means a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) Student financial aid funds appropriated for the purpose of assisting students to pay the fee required by this section may be awarded without regard to the requirements of Chapter 2 (commencing with Section 69500) of Part 42.

(j) The board of governors shall adopt regulations implementing this section.

(k) This section shall remain in effect only until July 1, 1995, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1995, deletes or extends that date.

SEC. 2. Notwithstanding any other provision of law, Section 66156 of the Education Code shall not apply to the imposition of student fees by the Trustees of the California State University for the 1993–94 academic year.

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

In order for the provisions of this act regarding student fees to take effect for the fall 1993 semester, it is necessary that this act take effect immediately.

CHAPTER 68

An act to amend Sections 33020, 33680, 33681, 33682, and 33683 of, and to add Sections 33681.5 and 33682.5 to, the Health and Safety Code, and to amend Sections 95.1 and 97.04 of, to add Sections 97.02, 97.035, 11005.4, and 11005.7 to, and to repeal Sections 98.6, 98.65, 98.66, 98.67, and 98.68 of, the Revenue and Taxation Code, relating to local government finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 33020 of the Health and Safety Code is amended to read:

33020. "Redevelopment" means the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a survey area, and the provision of those residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them and payments to school and community college districts in the 1992–93, 1993–94, and 1994–95 fiscal years as provided in Sections 33681 and 33681.5.

SEC. 2. Section 33680 of the Health and Safety Code is amended to read:

33680. (a) The Legislature finds and declares that the effectuation of the primary purposes of the Community Redevelopment Law, including job creation, attracting new private commercial investments, the physical and social improvement of residential neighborhoods, and the provision and maintenance of low- and moderate-income housing, is dependent upon the existence of an adequate and financially solvent school system which is capable of providing for the safety and education of students who live within both redevelopment project areas and housing assisted by redevelopment agencies. The attraction of new businesses to redevelopment project areas depends upon the existence of an adequately trained work force, which can only be accomplished if education at the primary and secondary schools is adequate and general education and job training at community colleges is available. The ability of communities to build residential development and attract residents in redevelopment project areas depends upon the existence of adequately maintained and operating schools serving the redevelopment project area. The development and maintenance of low- and moderate-income housing both within redevelopment project areas and throughout the community can only be successful if adequate schools exist to serve the residents of this housing.

(b) Redevelopment agencies have financially assisted schools which benefit and serve the project area by paying part or all of land and the construction of school facilities and other improvements pursuant to the authority in Section 33445. Redevelopment agencies have financially assisted schools to alleviate the financial burden or detriment caused by the establishment of redevelopment project areas pursuant to the authority in Sections 33401 and 33445.5. Funds also have been allocated to schools and community colleges pursuant to the authority in Section 33676.

(c) The Legislature further finds and declares that, because of the reduced funds available to the state to assist schools and community colleges which benefit and serve redevelopment project areas during the 1992–93, 1993–94, and 1994–95 fiscal years, it is necessary for redevelopment agencies to make additional payments to assist the programs and operations of these schools and colleges in order to ensure that the objectives stated in this section can be met. The Legislature further finds and declares that the payments to schools and community college districts pursuant to Section 33681 are of benefit to redevelopment project areas.

SEC. 3. Section 33681 of the Health and Safety Code is amended to read:

33681. (a) (1) During the 1992–93 fiscal year, a redevelopment agency shall remit, prior to May 10, 1993, an amount equal to the amount determined for that agency pursuant to subparagraph (D) of paragraph (2) to the county auditor for deposit in the Educational Revenue Augmentation Fund created pursuant to Section 97.03 of the Revenue and Taxation Code.

(2) For the 1992–93 fiscal year, on or before October 1, 1992, the Director of Finance shall do each of the following:

(A) Determine the total amount of property taxes apportioned to each agency pursuant to Section 33670, including any amounts apportioned to affected taxing agencies pursuant to Section 33401 or 33676, in the 1990–91 fiscal year.

(B) Determine the total amount of property taxes apportioned to all agencies pursuant to Section 33670, including any amounts apportioned to affected taxing agencies pursuant to Section 33401 or 33676, in the 1990–91 fiscal year.

(C) Determine a percentage factor by dividing two hundred five million dollars ($205,000,000) by the amount determined pursuant to subparagraph (B).

(D) Determine an amount for each agency by multiplying the amount determined pursuant to subparagraph (A) by the percentage factor determined pursuant to subparagraph (C).

(E) Notify each agency and each legislative body of the amount determined pursuant to subparagraph (D).

(F) Notify each county auditor of the amounts determined pursuant to subparagraph (D) for each agency in his or her county.

(b) (1) Notwithstanding Sections 33334.2, 33334.3, and 33334.6, and any other provision of law, in order to make the full allocation required by this section, an agency may borrow up to 50 percent of the amount required to be allocated to the Low- and Moderate-Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 during the 1992–93 fiscal year, unless executed contracts exist that would be impaired if the agency reduced the amount allocated to the Low- and Moderate-Income Housing Fund pursuant to the authority of this section.

(2) As a condition for borrowing pursuant to this subdivision, an agency shall make a finding that there are insufficient other moneys

to meet the requirements of subdivision (a). Funds borrowed pursuant to this subdivision shall be repaid in full on or before June 30, 2003.

(c) In order to make the allocation required by this section, an agency may use any funds that are legally available and not legally obligated for other uses, including, but not limited to, reserve funds, proceeds of land sales, proceeds of bonds or other indebtedness, lease revenues, interest, and other earned income. No moneys held in a low- and moderate-income fund as of July 1, 1992, may be used for this purpose.

(d) The legislative body shall, by March 1, 1993, report to the county auditor as to how the agency intends to fund the allocation required by this section.

(e) The allocation obligations imposed by this section, including amounts owed, if any, created under this section, are hereby declared to be an indebtedness of the redevelopment project to which they relate, payable from taxes allocated to the agency pursuant to Section 33670, and shall constitute an indebtedness of the agency with respect to the redevelopment project until paid in full.

(f) It is the intent of the Legislature, in enacting this section, that these allocations directly or indirectly assist in the financing or refinancing, in whole or in part, of the community's redevelopment projects pursuant to Section 16 of Article XVI of the California Constitution.

(g) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 33681 of the Health and Safety Code as added by Senate Bill 617 of the 1991–92 Regular Session.

(h) This section shall be operative only until July 1, 2003. This section shall remain in effect only until January 1, 2004, and as of that date is repealed.

SEC. 4. Section 33681.5 is added to the Health and Safety Code, to read:

33681.5. (a) (1) During each of the 1993–94 and 1994–95 fiscal years, a redevelopment agency shall remit prior to May 10 an amount equal to the amount determined for that agency pursuant to subparagraph (D) of paragraph (2) to the county auditor for deposit in the Educational Revenue Augmentation Fund created pursuant to Section 97.03 of the Revenue and Taxation Code.

(2) For each of the 1993–94 and 1994–95 fiscal years, on or before October 1, the Director of Finance shall do each of the following:

(A) Determine the net tax increment apportioned to each agency pursuant to Section 33670, excluding any amounts apportioned to affected taxing agencies pursuant to Section 33401 or 33676, in the 1990–91 fiscal year.

(B) Determine the net tax increment apportioned to all agencies pursuant to Section 33670, excluding any amounts apportioned to affected taxing agencies pursuant to Section 33401 or 33676, in the 1990–91 fiscal year.

(C) Determine a percentage factor by dividing sixty-five million dollars ($65,000,000) by the amount determined pursuant to subparagraph (B).

(D) Determine an amount for each agency by multiplying the amount determined pursuant to subparagraph (A) by the percentage factor determined pursuant to subparagraph (C).

(E) Notify each agency and each legislative body of the amount determined pursuant to subparagraph (D).

(F) Notify each county auditor of the amounts determined pursuant to subparagraph (D) for each agency in his or her county.

(b) (1) Notwithstanding Sections 33334.2, 33334.3, and 33334.6, and any other provision of law, in order to make the full allocation required by this section, an agency may borrow up to 50 percent of the amount required to be allocated to the Low- and Moderate-Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 during the 1993–94 and 1994–95 fiscal years, unless executed contracts exist that would be impaired if the agency reduced the amount allocated to the Low- and Moderate-Income Housing Fund pursuant to the authority of this section.

(2) As a condition of borrowing pursuant to this subdivision, an agency shall make a finding that there are insufficient other moneys to meet the requirements of subdivision (a). Funds borrowed pursuant to this subdivision shall be repaid in full on or before June 30, 2004.

(c) In order to make the allocation required by this section, an agency may use any funds that are legally available and not legally obligated for other uses, including, but not limited to, reserve funds, proceeds of land sales, proceeds of bonds or other indebtedness, lease revenues, interest, and other earned income. No moneys held in a low- and moderate-income fund as of July 1 of that fiscal year may be used for this purpose.

(d) The legislative body shall by March 1 report to the county auditor as to how the agency intends to fund the allocation required by this section.

(e) The allocation obligations imposed by this section, including amounts owed, if any, created under this section, are hereby declared to be an indebtedness of the redevelopment project to which they relate, payable from taxes allocated to the agency pursuant to Section 33670, and shall constitute an indebtedness of the agency with respect to the redevelopment project until paid in full.

(f) It is the intent of the Legislature, in enacting this section, that these allocations directly or indirectly assist in the financing or refinancing, in whole or in part, of the community's redevelopment projects pursuant to Section 16 of Article XVI of the California Constitution.

(g) For the purpose of making the determinations required by subdivision (a), the Director of Finance shall use those amounts reported as the "net tax increment to agency" for all agencies and for each agency in Table 6 of the 1990–91 fiscal year State Controller's

Annual Report on Financial Transactions Concerning Community Redevelopment Agencies of California.

(h) This section shall be operative only until July 1, 2004. This section shall remain in effect only until January 1, 2005, and as of that date is repealed.

SEC. 5. Section 33682 of the Health and Safety Code is amended to read:

33682. (a) (1) For the purposes of this section, "existing indebtedness" means one or more of the following obligations incurred by a redevelopment agency prior to the effective date of the statute that adds this chapter, the payment of which is to be made in whole or in part, directly or indirectly, out of taxes allocated to the agency pursuant to Section 33670, and which is required by law or provision of the existing indebtedness to be made during the 1992–93 fiscal year:

(A) Bonds, notes, interim certificates, debentures, or other obligations issued by an agency (whether funded, refunded, assumed, or otherwise) pursuant to Article 5 (commencing with Section 33640).

(B) Loans or moneys advanced to the agency, including, but not limited to, loans from federal, state, or local agencies, or a private entity.

(C) A contractual obligation which, if breached, could subject the agency to damages or other liabilities or remedies.

(D) An obligation incurred pursuant to Section 33445.

(E) Indebtedness incurred pursuant to Section 33334.2.

(F) An amount, to be expended for the operation and administration of the agency, which may not exceed 90 percent of the amount spent for those purposes in the 1991–92 fiscal year.

(G) Obligations imposed by law with respect to activities which occurred prior to the effective date of the act that adds this chapter.

(2) Existing indebtedness incurred prior to the effective date of the statute that adds this article may be refinanced, refunded, or restructured after that date, and shall remain existing indebtedness for the purposes of this section, if the annual debt service during the 1992–93 fiscal year does not increase and the refinancing does not reduce the ability of the agency to make the payment required by subdivision (a) of Section 33681.

(3) For the purposes of this section, indebtedness shall be deemed to be incurred prior to the effective date of this chapter if the agency has entered into a binding contract subject to normal marketing conditions, to deliver the indebtedness, or if the redevelopment agency has received bids for the sale of the indebtedness prior to that date and the indebtedness is issued for value and evidence thereof is delivered to the initial purchaser no later than 30 days after the date of the contract or sale.

(b) During the 1992–93 fiscal year, an agency that has adopted a resolution pursuant to subdivision (c) may, pursuant to subdivision (a) of Section 33681, allocate to the auditor less than the amount

required by subdivision (a) of Section 33681, if the agency finds that either of the following has occurred:

(1) That the difference between the amount allocated and the amount required by subdivision (a) of Section 33681 is necessary to make payments on existing indebtedness that are due or required to be committed, set aside, or reserved by the agency during the 1992–93 fiscal year and that are used by the agency for that purpose, and the agency has no other funds that can be used to pay this existing indebtedness, and no other feasible method to reduce or avoid this indebtedness.

(2) The agency has no other funds to make the allocation required by subdivision (a) of Section 33681.

(c) (1) Any agency that, pursuant to subdivision (b), allocates to the auditor less than the amount required by subdivision (a) of Section 33681 shall adopt, prior to December 31, 1992, for the 1992–93 fiscal year, after a noticed public hearing, a resolution which lists all of the following:

(A) Each existing indebtedness incurred prior to the effective date of the act that adds this article.

(B) Each indebtedness on which a payment is required to be made during the 1992–93 fiscal year.

(C) The amount of each payment, the time when it is required to be paid, and the total of the payments required to be made during the 1992–93 fiscal year. For indebtedness that bears interest at a variable rate, or for short-term indebtedness that is maturing during the fiscal year and expected to be refinanced, the amount of payments during the fiscal year shall be estimated by the agency.

(2) The information contained in the resolution required by this subdivision shall be certified by the chief fiscal officer of the agency.

(3) The legislative body shall additionally adopt the resolution required by this section.

(d) (1) Any agency that, pursuant to subdivision (b), determines that it will be unable to allocate the full amount required by subdivision (a) of Section 33681 shall, subject to paragraph (3), enter into an agreement with the legislative body by February 15, 1993, to fund the payment of the difference between the full amount required to be paid pursuant to subdivision (a) of Section 33681 and the amount available for allocation by the agency.

(2) The obligations imposed by paragraph (1) are hereby declared to be indebtedness incurred by the redevelopment agency to finance a portion of a redevelopment project within the meaning of Section 16 of Article XVI the California Constitution. This indebtedness shall be payable from tax revenues allocated to the agency pursuant to Section 33670, and any other funds received by the agency. The obligations imposed by paragraph (1) shall remain an indebtedness of the agency to the legislative body until paid in full, or until the agency and the legislative body otherwise agree.

(3) The agreement described in paragraph (1) shall be subject to these terms and conditions specified in a written agreement

between the legislative body and the agency.

(e) If the agency fails, under either Section 33681 or subdivision (d), to transmit the full amount of funds required by Section 33681, is precluded by court order from transmitting that amount, or is otherwise unable to meet its full obligation pursuant to Section 33681, the county auditor, by no later than May 15, 1993, shall transfer any amount necessary to meet the obligation determined for that agency in subparagraph (D) of paragraph (2) of subdivision (a) of Section 33681 from the legislative body's property tax allocation pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 33682 of the Health and Safety Code as added by Senate Bill 617 of the 1991–92 Regular Session.

SEC. 6. Section 33682.5 is added to the Health and Safety Code, to read:

33682.5. (a) (1) For the purposes of this section, "existing indebtedness" means one or more of the following obligations incurred by a redevelopment agency prior to the effective date of the statute that adds this chapter, the payment of which is to be made in whole or in part, directly or indirectly, out of taxes allocated to the agency pursuant to Section 33670, and which is required by law or provision of the existing indebtedness to be made during the fiscal year of the relevant allocation required by Section 33681.5:

(A) Bonds, notes, interim certificates, debentures, or other obligations issued by an agency (whether funded, refunded, assumed, or otherwise) pursuant to Article 5 (commencing with Section 33640).

(B) Loans or moneys advanced to the agency, including, but not limited to, loans from federal, state, or local agencies, or a private entity.

(C) A contractual obligation that, if breached, could subject the agency to damages or other liabilities or remedies.

(D) An obligation incurred pursuant to Section 33445.

(E) Indebtedness incurred pursuant to Section 33334.2.

(F) An amount, to be expended for the operation and administration of the agency, that may not exceed 90 percent of the amount spent for those purposes in the 1991–92 fiscal year.

(G) Obligations imposed by law with respect to activities which occurred prior to the effective date of the act that adds this chapter.

(2) Existing indebtedness incurred prior to the effective date of the statute that adds this article may be refinanced, refunded, or restructured after that date, and shall remain existing indebtedness for the purposes of this section, if the annual debt service during that fiscal year does not increase over the prior fiscal year and the refinancing does not reduce the ability of the agency to make the payment required by subdivision (a) of Section 33681.5.

(3) For the purposes of this section, indebtedness shall be deemed

to be incurred prior to the effective date of this chapter if the agency has entered into a binding contract subject to normal marketing conditions, to deliver the indebtedness, or if the redevelopment agency has received bids for the sale of the indebtedness prior to that date and the indebtedness is issued for value and evidence thereof is delivered to the initial purchaser no later than 30 days after the date of the contract or sale.

(b) During the 1993–94 or 1994–95 fiscal year, an agency that has adopted a resolution pursuant to subdivision (c) may, pursuant to subdivision (a) of Section 33681.5, allocate to the auditor less than the amount required by subdivision (a) of Section 33681.5, if the agency finds that either of the following has occurred:

(1) That the difference between the amount allocated and the amount required by subdivision (a) of Section 33681.5 is necessary to make payments on existing indebtedness that are due or required to be committed, set aside, or reserved by the agency during the applicable fiscal year and that are used by the agency for that purpose, and the agency has no other funds that can be used to pay this existing indebtedness, and no other feasible method to reduce or avoid this indebtedness.

(2) The agency has no other funds to make the allocation required by subdivision (a) of Section 33681.5.

(c) (1) Any agency that, pursuant to subdivision (b), allocates to the auditor less than the amount required by subdivision (a) of Section 33681.5 shall adopt, prior to December 31 of the relevant fiscal year, after a noticed public hearing, a resolution which lists all of the following:

(A) Each existing indebtedness incurred prior to the effective date of the act that adds this article.

(B) Each indebtedness on which a payment is required to be made during the relevant fiscal year.

(C) The amount of each payment, the time when it is required to be paid, and the total of the payments required to be made during the relevant fiscal year. For indebtedness that bears interest at a variable rate, or for short-term indebtedness that is maturing during the fiscal year and expected to be refinanced, the amount of payments during the fiscal year shall be estimated by the agency.

(2) The information contained in the resolution required by this subdivision shall be reviewed for accuracy by the chief fiscal officer of the agency.

(3) The legislative body shall additionally adopt the resolution required by this section.

(d) (1) Any agency that, pursuant to subdivision (b), determines that it will be unable in either the 1993–94 or 1994–95 fiscal year to allocate the full amount required by subdivision (a) of Section 33681.5 shall, subject to paragraph (3), enter into an agreement with the legislative body by February 15 of the relevant fiscal year to fund the payment of the difference between the full amount required to be paid pursuant to subdivision (a) of Section 33681.5 and the amount

available for allocation by the agency.

(2) The obligations imposed by paragraph (1) are hereby declared to be indebtedness incurred by the redevelopment agency to finance a portion of a redevelopment project within the meaning of Section 16 of Article XVI the California Constitution. This indebtedness shall be payable from tax revenues allocated to the agency pursuant to Section 33670, and any other funds received by the agency. The obligations imposed by paragraph (1) shall remain an indebtedness of the agency to the legislative body until paid in full, or until the agency and the legislative body otherwise agree.

(3) The agreement described in paragraph (1) shall be subject to these terms and conditions specified in a written agreement between the legislative body and the agency.

(e) If the agency fails, under either Section 33681.5 or subdivision (d), to transmit the full amount of funds required by Section 33681.5, is precluded by court order from transmitting that amount, or is otherwise unable to meet its full obligation pursuant to Section 33681.5, the county auditor, by no later than May 15 of the fiscal year, shall transfer any amount necessary to meet the obligation determined for that agency in subparagraph (D) of paragraph (2) of subdivision (a) of Section 33681.5 from the legislative body's property tax allocation pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

SEC. 7. Section 33683 of the Health and Safety Code is amended to read:

33683. For the purpose of calculating the amount which has been divided and allocated to the redevelopment agency to determine whether the limitation adopted pursuant to Section 33333.2 or 33333.4 or pursuant to agreement or court order has been reached, any payments made pursuant to subdivision (a) of Sections 33681 and 33681.5 or subdivision (d) of Sections 33682 and 33682.5 with property tax revenues shall be deducted from the amount of property tax dollars deemed to have been received by the agency.

SEC. 8. Section 95.1 of the Revenue and Taxation Code is amended to read:

95.1. For purposes of this chapter, "excess tax school entity" means an educational agency for which the amount of the state funding entitlement determined under Section 2558, 42238, 84750, or 84751 of the Education Code, as appropriate, is zero.

SEC. 9. Section 97.02 is added to the Revenue and Taxation Code, to read:

97.02. (a) Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 97, as modified by Section 97.03 for the 1992–93 fiscal year, shall be modified for the 1993–94 fiscal year as follows:

(1) The amount of property tax revenue deemed allocated to the county or city and county in the prior fiscal year shall be reduced by an amount equal to eighty cents ($0.80) per each resident of the

county or city and county. In addition, the amount of property tax revenue deemed allocated in the prior fiscal year to each city or city and county shall be reduced by an amount equal to one dollar and two cents ($1.02) per each resident of that city or city and county.

(2) The amount of property tax revenues not allocated to the county, city and county, and any city as a result of the reductions calculated pursuant to paragraph (1) shall be deposited in the Educational Revenue Augmentation Fund established pursuant to paragraph (1) of subdivision (d) of Section 97.03.

(b) For the purpose of this section, the population of a city, county, or city and county shall be the population determined pursuant to Section 11005.

SEC. 10. Section 97.035 is added to the Revenue and Taxation Code, immediately following Section 97.03, to read:

97.035. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 97, as modified by Section 97.03 for the 1992–93 fiscal year, shall be modified for the 1993–94 fiscal year pursuant to subdivisions (a) to (c), inclusive, as follows:

(a) The amount of property tax revenue deemed allocated in the prior fiscal year to each county and city and county shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions for counties and cities and counties determined pursuant to this section shall be one billion nine hundred ninety-eight million dollars ($1,998,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of the reduction for each county or city and county as follows:

(A) The proportionate share of the property tax revenue reduction for each county or city and county that would have been imposed on all counties under the proposal specified in the "May Revision of the 1993–94 Governor's Budget" shall be determined by reference to the document entitled "Estimated County Property Tax Transfers Under Governor's May Revision Proposal," published by the Legislative Analyst's Office on June 1, 1993.

(B) Each county or city and county's proportionate share of total taxable sales in all counties in the 1991–92 fiscal year shall be determined.

(C) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (A) to the one billion nine hundred ninety-eight million dollar ($1,998,000,000) statewide reduction for counties and cities and counties.

(D) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (B) to the one billion nine hundred ninety-eight million dollar ($1,998,000,000) statewide reduction for counties and cities and counties.

(E) The Director of Finance shall add the amounts determined pursuant to subparagraphs (C) and (D) for each county and city and county, and divide the resulting figure by two. The amount so determined for each county and city and county shall be divided by a factor of 1.038. The resulting figure shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior fiscal year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee its determination of the amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify the auditor of each county and city and county of the amount of property tax revenue reduction determined for each county and city and county.

(b) The amount of property tax revenue deemed allocated in the prior fiscal year to each city shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions determined for cities pursuant to this section shall be two hundred eighty-eight million dollars ($288,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of reduction for each city as follows:

(A) The amount of property tax revenue that is estimated to be attributable in the 1993–94 fiscal year to the amount of each city's state assistance payment received by that city pursuant to Chapter 282 of the Statutes of 1979 shall be determined.

(B) A factor for each city equal to the amount determined pursuant to subparagraph (A) for that city, divided by the total of the amounts determined pursuant to subparagraph (A) for all cities, shall be determined.

(C) An amount for each city equal to the factor determined pursuant to subparagraph (B), multiplied by three hundred eighty-two million five hundred thousand dollars ($382,500,000), shall be determined.

(D) In no event shall the amount for any city determined pursuant to subparagraph (C) exceed a per capita amount of nineteen dollars and thirty-one cents ($19.31), as determined in accordance with that city's population on January 1, 1993, as estimated by the Department of Finance.

(E) The amount determined for each city pursuant to subparagraphs (C) and (D) shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee those amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify each county auditor of the amount of property tax revenue

reduction determined for each city located within that county.

(c) (1) The amount of property tax revenue deemed allocated in the prior fiscal year to each special district shall be reduced by the amount determined for the district pursuant to paragraph (3) and increased by the amount determined for the district pursuant to paragraph (4). The total net amount of these changes is intended to equal two hundred forty-four million dollars ($244,000,000) in the 1993–94 fiscal year.

(2) For purposes of this section, "special district" does not include a local hospital district as described in Division 23 (commencing with Section 32000) of the Health and Safety Code, a water agency that does not sell water at retail, or a transit district.

(3) On or before September 15, 1993, the county auditor shall determine an amount for each special district equal to the amount of its allocation determined pursuant to Sections 96 or 97, and 98 for the 1993–94 fiscal year multiplied by the ratio determined pursuant to paragraph (1) of subdivision (a) of Section 98.6 as that section read on June 15, 1993. In those counties that were subject to Sections 98.65, 98.66, 98.67, and 98.68, the county auditor shall determine an amount for each special district that represents the current amount of its allocation determined pursuant to Sections 96 or 97, and 98 for the 1993–94 fiscal year that is attributed to the property tax shift from schools required by Chapter 282 of the Statutes of 1979. In determining this amount, the county auditor shall adjust for the influence of increased assessed valuation within each district, including the effect of jurisdictional changes, and the reductions in property tax allocations required in the 1992–93 fiscal year by Chapters 699 and 1369 of the Statutes of 1992. In no event shall the amount determined by this paragraph be less than zero.

(4) On or before September 15, 1993, the county auditor shall determine an amount for each special district which is engaged in fire protection activities, as reported to the Controller for inclusion in the Financial Transactions Report Concerning Special Districts under the heading of "Fire Protection," which is equal to the amount of revenue allocated to that special district from the Special District Augmentation Fund for fire protection activities in the 1992–93 fiscal year. In those counties subject to Sections 98.65, 98.66, 98.67, and 98.68, the county auditor shall determine an amount which is equal to the amount by which the allocation of each special district for fire protection activities exceeds the allocation which would have been received by that district for fire protection activities had Section 98.6 continued to govern the allocation of property tax revenues to special districts in those counties.

(5) The total amount of property taxes allocated to special districts by the county auditor as a result of paragraph (4) shall be subtracted from the amount of property tax revenues not allocated to special districts by the county auditor as a result of paragraph (3) to determine the amount to be deposited in the Education Revenue Augmentation Fund as specified in subdivision (d).

(6) On or before September 30, 1993, the county auditor shall notify the Director of Finance of the net amount determined for special districts pursuant to paragraph (5).

(d) (1) The amount of property tax revenues not allocated to the county, city and county, cities within the county, and special districts as a result of the reductions required by subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund established in each county or city and county pursuant to Section 97.03. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1992–93 fiscal year.

(2) The county auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to school districts and county offices of education only to those school districts and county offices of education within the county that are not excess tax school entities, as defined in Section 95.1. The county superintendent of schools shall determine the amount to be allocated to each school district and county office of education in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district and county office of education. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a school district or county office of education upon that district or county office of education becoming an excess tax school entity. If, after determining the amount to be allocated to each school district and county office of education, the county superintendent of schools determines there are still additional funds to be allocated, the county superintendent of schools shall determine the remainder to be allocated in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per average daily attendance in each remaining school district and county office of education that is not an excess tax school entity until all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated. The county superintendent of schools may determine the amounts to be allocated between each school district and county office of education to ensure that all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated.

(3) The county auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to

community college districts only to those community college districts within the county that are not excess tax school entities, as defined in Section 95.1. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a community college district upon that district becoming an excess tax school entity.

(4) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2). If, after determining the amount to be allocated to each community college district, the Chancellor of the California Community Colleges determines that there are still additional funds to be allocated, the Chancellor of the California Community Colleges shall determine the remainder to be allocated to each community college district in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per funded full-time equivalent student in each remaining community college district that is not an excess tax school entity until all funds that would not result in a community college district becoming an excess tax school entity are allocated.

(5) For purposes of allocations made pursuant to Section 97 for the 1994–95 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than those amounts deposited in the Educational Revenue Augmentation Fund pursuant to any provision of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

SEC. 11. Section 97.04 of the Revenue and Taxation Code is amended to read:

97.04. Notwithstanding Section 97.03 or 97.035 or any other provision of this chapter, in implementing the changes in allocations of property tax revenues required by Sections 97.01, 97.02, 97.03, and 97.035, the county auditor may elect to determine and give effect to the changes in allocations of property tax revenues required by Sections 97.01, 97.02, 97.03, and 97.035 on a countywide, rather than tax rate area, basis. If the county auditor so elects, he or she shall ensure adequate recognition of year-to-year revenue growth so that the results of changes implemented on a countywide basis do not differ materially from the results which would be obtained from the use of a tax rate area basis.

SEC. 12. Section 98.6 of the Revenue and Taxation Code is repealed.

SEC. 13. Section 98.65 of the Revenue and Taxation Code is

repealed.

SEC. 14. Section 98.66 of the Revenue and Taxation Code is repealed.

SEC. 15. Section 98.67 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 98.68 of the Revenue and Taxation Code is repealed.

SEC. 17. Section 11005.4 is added to the Revenue and Taxation Code, to read:

11005.4. Notwithstanding Section 11005, for the 1993–94 fiscal year only, 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, the Controller shall, in addition to making any allocations required by Section 11005, allocate, in accordance with the procedures applicable to those moneys allocated pursuant to subdivisions (c) and (d) of Section 11005, the amount of one hundred thirty million dollars ($130,000,000) as follows:

(a) Ninety million dollars ($90,000,000) to cities in proportion to the total property tax revenue allocation reduction for each city as a result of Sections 97.02 and 97.035, as determined by the Director of Finance.

(b) Forty million dollars ($40,000,000) to counties and cities and counties in proportion to the total property tax revenue allocation reduction for each county or city and county as a result of Sections 97.02 and 97.035, as determined by the Director of Finance.

SEC. 18. Section 11005.7 is added to the Revenue and Taxation Code, to read:

11005.7. Notwithstanding Section 11005, 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, the Controller shall, in addition to making any allocations required by Section 11005, allocate, in accordance with the procedures applicable to those moneys allocated pursuant to subdivisions (c) and (d) of Section 11005, the amount of fifty million dollars ($50,000,000), as follows:

(a) Twenty-five million dollars ($25,000,000) to cities and cities and counties in proportion to the total property tax revenue allocation reduction for each city and city and county as a result of Section 97.02, as determined by the Director of Finance.

(b) Twenty-five million dollars ($25,000,000) to counties and cities and counties in proportion to the total property tax revenue allocation reduction for each county and city and county as a result of Section 97.02, as determined by the Director of Finance.

SEC. 19. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 20. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the allocation of state and local governmental revenues in a manner consistent with the resolution of the current severe shortfall in state revenues, it is necessary that this act take effect immediately.

CHAPTER 69

An act to add Section 4722.5 to the Civil Code, to amend Sections 1596.955 and 1597.059 of the Health and Safety Code, to amend Sections 215, 9202, and 9203 of the Probate Code, to amend Section 11001.5 of the Revenue and Taxation Code, and to amend Sections 10101, 10101.1, 11310, 11322, 11322.2, 11322.4, 11323.4, 11324.4, 11324.6, 11325, 11325.4, 11327.4, 11461, 11462, 12201.03, 12301.6, 13002, 13004, 14009.5, 14086, 14105.3, 14105.98, 14132, 14132.95, 14133.9, 14148, 14148.5, 14163, 16809, 17600, 18919, and 19356.6 of, to add Sections 11155.1, 11155.2, 11255, 11265.6, 11265.7, 11280, 11330.11, 11450.015, 11451.7, 12200.015, 14005.21, 14006.7, 15204.7, 17600.110, 18906.8, and 18923 to, to add Article 3.5 (commencing with Section 11331) to Chapter 2 of Part 1 of Division 9 of, to add Chapter 4.8 (commencing with Section 10840) to Part 2 of Division 9 of, to repeal and add Sections 10790 and 10791 of, and to repeal Sections 10792, 10793, 10794, and 10795 of, the Welfare and Institution Code, and to amend Section 21.50 of Chapter 587 of the Statutes of 1992, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 4722.5 is added to the Civil Code, to read:

4722.5. For purposes of computing the minimum level of child

support under Section 4722, no hardship shall be deemed to exist and no deduction from income shall be granted if aid payments are being made pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code on behalf of a child or children of the parent seeking the deduction, even if the payments are being received by the other parent.

SEC. 2. Section 1596.955 of the Health and Safety Code is amended to read:

1596.955. (a) The department shall develop guidelines and procedures to permit licensed child day care centers serving preschool age children to create a special program component for children between the ages of 18 months and 30 months. This optional toddler program shall be subject to the following basic conditions:

(1) An amended application is submitted to and approved by the department.

(2) All children in the center between 18 and 30 months are placed in the toddler program established at the center and no children shall be placed in the preschool program before the age of 30 months.

(3) Parents give permission for the placement of their children in the toddler program.

(4) A ratio of six children to each teacher is maintained for all children in attendance at the toddler program. An aide who is participating in on-the-job training may be substituted for a teacher when directly supervised by a fully qualified teacher.

(5) The maximum group size, with two teachers, or one fully qualified teacher and one aide, does not exceed 12 toddlers.

(6) The toddler program is conducted in areas separate from those used by older or younger children. Plans to alternate use of outdoor play space may be approved to achieve separation.

(7) All other preschool regulations are complied with.

(b) The toddler program shall be considered an extension of the preschool license, without the need for a separate license.

(c) The department shall immediately prepare proposed regulations for public hearing which would consider the foregoing basic conditions as well as any additional health and safety safeguards deemed necessary for this age group.

(d) The guidelines in subdivision (a) shall remain in force and effect only until regulations implementing this section are adopted by the department. A status report on development of the regulations shall be submitted by the department to the Legislature no later than June 1, 1990.

(e) The Senate Office of Research, in consultation with the Assembly Office of Research, shall evaluate the toddler program authorized by this section and report its evaluation to the Legislature no later than December 30, 1992. The evaluation shall include, but not be limited to, the advantages and disadvantages of a toddler program and recommendations as to whether or not the toddler program should continue to be authorized and whether the age

range of 18 to 30 months should be retained or changed to some other specified age range.

(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. 3. Section 1597.059 of the Health and Safety Code is amended to read:

1597.059. (a) The State Department of Social Services shall develop guidelines and procedures to permit an aide to assist a fully qualified child care teacher in the supervision of up to 18 preschool age children, with the provision that the aide shall complete at least two accredited postsecondary semester units or equivalent quarter units of early childhood education or child development per semester or quarter, commencing with the first semester or quarter following initial employment and continuing until six units have been completed.

(b) The department shall immediately prepare proposed regulations for a public hearing concerning the requirements of subdivision (a).

(c) A status report on the development of the regulations shall be submitted by the department to the Legislature no later than June 1, 1990.

(d) For purposes of this section, "preschool age children" means children who are enrolled in a child day care center licensed by the department and who are not enrolled in either an infant care center or a schoolage child day care center, as these terms are defined in Title 22 of the California Code of Regulations.

(e) The Legislative Analyst shall report to the Legislature on the program authorized by this section no later than December 30, 1992. The report shall indicate the number of day care centers that had used the staffing ratio described in subdivision (a) as of March 31, 1992, an estimate of the increased number of children served, and the results of a survey of child care operators to be conducted by the Legislative Analyst concerning (1) the effects of changing the child-staff ratios on the quality of care and (2) the effects of changing the training requirements on encouraging aides to begin and continue career-oriented training. The report shall also include the Legislative Analyst's recommendations regarding the continuation of the staffing ratios and training requirements described in subdivision (a).

(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. 4. Section 215 of the Probate Code is amended to read:

215. Where a deceased person has received or may have received health care under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or was the surviving spouse of a person who received that health care, the estate attorney, or if

there is no estate attorney, the beneficiary, the personal representative, or the person in possession of property of the decedent shall give the Director of Health Services notice of the decedent's death not later than 90 days after the date of death. The notice shall include a copy of the decedent's death certificate. The notice shall be given as provided in Section 1215, addressed to the director at the Sacramento office of the director.

SEC. 5. Section 9202 of the Probate Code is amended to read:

9202. Not later than 90 days after the date letters are first issued to a general personal representative, the general personal representative or estate attorney shall give the Director of Health Services notice of the decedent's death in the manner provided in Section 215 if the general personal representative knows or has reason to believe that the decedent received health care under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or was the surviving spouse of a person who received that health care. The director has four months after notice is given in which to file a claim.

SEC. 6. Section 9203 of the Probate Code is amended to read:

9203. (a) Failure of a person to give the written notice or request required by this chapter does not affect the validity of any proceeding under this code concerning the administration of the decedent's estate.

(b) If property in the estate is distributed before expiration of the time allowed a public entity to file a claim, the public entity has a claim against the distributees to the full extent of the public entity's claim, or each distributee's share of the distributed property, whichever is less. The public entity's claim against distributees includes interest at a rate equal to that specified in Section 19269 of the Revenue and Taxation Code, from the date of distribution or the date of filing the claim by the public entity, whichever is later, plus other accruing costs as in the case of enforcement of a money judgment.

SEC. 7. Section 11001.5 of the Revenue and Taxation Code is amended to read:

11001.5. (a) Notwithstanding Section 11001, and except as provided in subdivision (b), 24.33 percent of the moneys collected by the department under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Fee Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) Notwithstanding Section 11001, net funds collected as a result of procedures developed for greater compliance with vehicle license

fee laws in order to increase the amount of vehicle license fee collections shall be reported monthly to the Controller, and at the same time, deposited in the Treasury to the credit of the Vehicle License Fee Collection Account of the Local Revenue Fund as established pursuant to Section 17600 of the Welfare and Institutions Code. All revenues in excess of fourteen million dollars ($14,000,000) in any fiscal year shall be allocated to cities and counties as specified in subdivisions (c) and (d) of Section 11005.

(c) Notwithstanding Section 11001, 25.72 percent of the moneys collected by the department on or after August 1, 1991, and before August 1, 1992, under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Fee Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(d) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991–92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

SEC. 8. Section 10101 of the Welfare and Institutions Code is amended to read:

10101. (a) For the 1991–92 fiscal year and each fiscal year thereafter, the state's share of the costs of the child welfare program shall be 70 percent of the actual nonfederal expenditures for the program or the amount appropriated by the Legislature for that purpose, whichever is less.

(b) Federal funds received under Title 20 of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for child welfare services shall be considered part of the state share of cost and not part of the federal expenditures for this program.

SEC. 9. Section 10101.1 of the Welfare and Institutions Code is amended to read:

10101.1. (a) For the 1991–92 fiscal year and each fiscal year thereafter, the state's share of the costs of the county services block grant and the in-home supportive services administration requirements shall be 70 percent of the actual nonfederal

expenditures or the amount appropriated by the Legislature for that purpose, whichever is less.

(b) Federal funds received under Title 20 of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for the county services block grant and the in-home supportive services administration shall be considered part of the state share of cost and not part of the federal expenditures for this purpose.

SEC. 10. Section 10790 of the Welfare and Institutions Code is repealed.

SEC. 11. Section 10790 is added to the Welfare and Institutions Code to read:

10790. (a) The director, in consultation with the County Welfare Directors Association and at least one advocate for welfare recipients, shall establish, within the Aid to Families with Dependent Children (AFDC) program (Chapter 2 (commencing with Section 11200) of Part 3), and the Food Stamp Program (Chapter 10 (commencing with Section 18900) of Part 6), the Consolidated Public Assistance Eligibility Determination Demonstration Project.

(b) (1) The director shall, by formal order, waive the enforcement of those regulations and standards necessary to implement the project with federal approval, in order to implement the demonstration project.

(2) The order establishing the waiver authorized by paragraph (1) shall meet all of the following requirements:

(A) It shall provide alternative methods and procedures of eligibility administration.

(B) It shall not conflict with the basic purposes or coverage provided by law.

(C) The director shall determine, based on estimates, the impact of the proposed changes on AFDC and food stamp recipients. The order shall be implemented only if no more than 5 percent of the recipients are expected to experience a net benefit reduction.

(D) Applications for, and restorations of, aid shall be processed in the shorter of the time periods required for the AFDC and food stamp programs, when differences exist between the two programs.

(E) It shall not be general in scope and shall apply only to the project authorized by this section.

(3) The order establishing the waiver authorized by paragraph (1) shall take effect only if the appropriate federal agencies have agreed to approve the demonstration project and to waive those federal requirements that are necessary for waiver under the project.

(c) Applicants and recipients under this chapter shall be entitled to the same rights and fair hearings and appeals as those to which they would otherwise be entitled under the AFDC program (Chapter 2 (commencing with Section 11200) of Part 3) and the Food Stamp Program (Chapter 10 (commencing with Section 18900) of Part 6).

(d) The director shall include in the request for any waivers necessary for the implementation of this demonstration project the declaration that if any of the specific elements, pursuant to Section 10791, are deemed unavailable or are not granted, the other elements may be considered independently and waived as permitted under federal law.

(e) The director may exclude from the request for waivers any specific element, pursuant to subparagraph (D) of paragraph (2) of subdivision (b) of this section or Section 10791, determined to be not cost-effective due to significant General Fund costs. The department shall report to the Legislature within one year on the reasons for such a determination.

SEC. 12. Section 10791 of the Welfare and Institutions Code is repealed.

SEC. 13. Section 10791 is added to the Welfare and Institutions Code, to read:

10791. The demonstration program provided for in Section 10790 shall, at a minimum, include the following elements:

(a) Uniform 30 percent disregard from gross earned income and waiver of the 100-hour limit on employment for AFDC-Unemployed recipient eligibility.

(b) Uniform definition of allowable child care disregards for full- or part-time care.

(c) It shall not be presumed that any transfer of property made within three months prior to the time the application was made for purposes of becoming eligible for food stamps.

(d) Exemption of personal loans as property where a reasonable repayment plan is in place. A reasonable repayment plan shall be defined as a statement from the lender specifying that the money shall be paid back at a future point in time when the individual is able to do so.

(e) Use of standard shelter allowances based on local housing prices without verification in lieu of verified shelter costs.

(f) Exclusion from income financial aid and work study payments that are computed based on need consistent with Section 11008.10.

(g) Application of good cause determinations related to late submission of monthly income reports for food stamp recipients who also receive AFDC benefits.

(h) Qualification as categorically eligible for food stamps any individual who is apparently eligible for or has been granted AFDC benefits.

(i) Disregarding as income, for food stamps, the first fifty dollars ($50) of child support received, as currently provided for under the AFDC program, to the extent federal funding is available.

(j) Uniform treatment of room and board income, consistent with AFDC program regulations.

(k) Requirement for signatures on monthly income reports, consistent with AFDC program regulations.

(*l*) Standard deduction for expenses related to self-employment

income.

(m) Both programs shall exempt one motor vehicle from property to be considered in determining eligibility.

(n) Both programs shall compute the value of any motor vehicle not exempt from consideration in determining eligibility by subtracting the amount of encumbrances from the fair market value. If an applicant, a recipient, or a county does not agree with the value of a vehicle arrived at through this methodology, the applicant or recipient shall be entitled to the use of either of the following methods for evaluating the motor vehicle:

(1) Submit three appraisals. An appraisal may be made under this paragraph by a car dealer, insurance adjuster, or a personal property appraiser. The average of the three independent appraisals shall be used by the county in evaluating the motor vehicle.

(2) Obtain an appraisal from a county-appointed appraiser.

(o) Adoption of an exclusion from income for both the AFDC and Food Stamp programs of one hundred dollars ($100) per quarter, in lieu of the AFDC nonrecurring gift exclusion and the food stamp irregular or infrequent income exclusion.

(p) Standardization of county retention percentages for collection of erroneous payments.

(q) Upon receipt of federal approval of this demonstration project the department, in consultation with the Department of Finance, may delay implementation of any elements determined to be not cost-effective until funds are appropriated by the Legislature. The department shall report to the Legislature within that year on the reasons for the determination of non-cost-effectiveness and the changes necessary to make the element cost-effective.

SEC. 14. Section 10792 of the Welfare and Institutions Code is repealed.

SEC. 15. Section 10793 of the Welfare and Institutions Code is repealed.

SEC. 16. Section 10794 of the Welfare and Institutions Code is repealed.

SEC. 17. Section 10795 of the Welfare and Institutions Code is repealed.

SEC. 18. Chapter 4.8 (commencing with Section 10840) is added to Part 2 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 4.8. ADMINISTRATIVE REFORM ACT

10840. (a) The director and the State Director of Health Services shall implement a comprehensive program for the simplification of administration of the Aid to Families with Dependent Children, Medi-Cal, and Food Stamp programs, which shall include the elements identified in Section 10841. The director shall prepare appropriate amendments in the state plan for these programs and waiver requests of federal requirements that are necessary for the implementation of this chapter.

(b) The director and the State Director of Health Services shall, by formal order, waive the enforcement of those regulations and standards necessary to implement the project with federal approval, in order to implement the demonstration project.

10841. (a) The department may establish a demonstration project that tests one or more modifications in verifications of eligibility information to reduce paperwork and achieve program savings while maintaining or improving program integrity.

(b) Aid payments may be made once monthly.

10842. (a) The State Department of Social Services and the State Department of Health Services shall jointly, in consultation with the County Welfare Directors Association, establish a consolidated county administrative performance system that shall establish state subventions for county administrative costs for the Aid to Families with Dependent Children program, Medi-Cal, and the Food Stamp Program.

(b) Subventions shall be based on actual caseload for each program, including intake and continuing cases, experienced by each county. Reimbursement per case shall be uniform for similar size counties and shall be based on standards for workload performance, or cases per worker, overhead rates, and salary levels for welfare department personnel.

(c) Administrative standards shall be based on actual performance in the most recent fiscal year for which appropriate data is available.

(d) Allocation of costs among welfare programs shall, to the extent feasible, be based on ongoing random moment studies. Sampling rates shall be high enough to provide reasonably accurate and statistically valid updates of prior allocation ratios.

(e) This performance system shall be implemented in each county upon the establishment of a statewide automated welfare system.

SEC. 19. Section 11155.1 is added to the Welfare and Institutions Code, to read:

11155.1. (a) Notwithstanding Sections 11155 and 11257, the department shall seek any federal approvals necessary to conduct a demonstration program increasing the value of personal property that may be retained by a recipient of aid under Chapter 2 (commencing with Section 11200) to two thousand dollars ($2,000) and increasing the value of the exemption for an automobile to four thousand five hundred dollars ($4,500). The increased property limits shall not apply to applicants.

(b) This section shall be implemented only if the director executes a declaration, that shall be retained by the director, stating that federal approval for the implementation of this section has been obtained and specifying the duration of that approval.

SEC. 20. Section 11155.2 is added to the Welfare and Institutions Code, to read:

11155.2. (a) In addition to the personal property permitted by

this part, recipients of aid to families with dependent children shall be permitted to retain savings for specified purposes up to a maximum of five thousand dollars ($5,000) per family. This section shall not apply to applicants. Funds may be used by the family for postsecondary education or training for a child or children, for starting a business, or for the purchase of a home. Recipients who wish to retain savings for these purposes shall enter into a written agreement with the county to establish a separate savings account with a financial institution, with the account to be used solely for the purpose of accumulating funds for later withdrawal for a qualifying expenditure. A qualifying expenditure shall be defined by department regulations and shall be verified by the recipient. The recipient shall agree to provide periodic verification of account activity, as required by department regulations. The agreement shall notify the recipient of the penalty for nonqualifying withdrawal of funds.

(b) Any nonqualifying withdrawal of funds from the account shall result in a calculation of a period of ineligibility for all persons in the assistance unit, to be determined by dividing the balance in the account immediately prior to the withdrawal by the minimum basic standard of adequate care for the members of the assistance unit, as set forth in Section 11452. The resulting whole number shall be the number of months of ineligibility. The period of ineligibility may be reduced when the minimum basic standard of adequate care of the assistance unit, including special needs, increases.

(c) This section shall be implemented on the first day of the month following the month in which the director executes a declaration that shall be retained by the director, stating that federal approval for implementation of this section has been obtained, and specifying the duration of that approval, and shall continue to be implemented only until the end of the period of federal approval.

SEC. 21. Section 11255 is added to the Welfare and Institutions Code, to read:

11255. The department shall implement the waiver obtained from the federal government to allow the thirty dollars ($30) and one-third earned income disregard to be continued without regard to the 12-month and 4-month limitations for income earned after August 31, 1993.

SEC. 22. Section 11265.6 is added to the Welfare and Institutions Code, to read:

11265.6. (a) The department may conduct up to five demonstrations of alternatives to the current monthly reporting system, food stamp recertification, and AFDC redeterminations. These demonstrations shall be designed to reduce paperwork, achieve administrative savings, and maintain or enhance program integrity. The department, in consultation with the counties that request designation as a demonstration county, shall determine the scope of the demonstrations.

(b) The director may waive, with federal approval, the

enforcement of specific Food Stamp Program requirements, regulations, and standards necessary to conduct these demonstrations.

SEC. 23. Section 11265.7 is added to the Welfare and Institutions Code, to read:

11265.7. (a) The department may conduct a demonstration in up to three counties of alternatives to the current monthly reporting system, food stamp recertification, and AFDC redeterminations for recipients of alternative assistance. This demonstration shall be designed to reduce paperwork, achieve administrative savings, and maintain or enhance program integrity. The department, in consultation with the counties which request designation as a demonstration county shall determine the scope of the demonstrations.

(b) The director may waive, with federal approval, the enforcement of specific Food Stamp Program requirements, regulations, and standards necessary to conduct these demonstrations.

SEC. 24. Section 11280 is added to the Welfare and Institutions Code, to read:

11280. (a) The Alternative Assistance Program is hereby created.

(b) Recipients of, and applicants eligible for, aid under this chapter, who have earned income, shall be eligible for the Alternative Assistance Program if they decline or refuse a cash grant. Alternative assistance participants are eligible to receive child care assistance and Medi-Cal benefits. For the purposes of Medi-Cal eligibility, alternative assistance participants shall be considered to be AFDC recipients.

(c) Recipients of, and applicants for, aid under this chapter shall be notified of the availability of alternative assistance under this section at the time of application or redetermination of eligibility. The notification shall specify that the family would be foregoing a cash grant, and any person choosing alternative assistance under this section shall sign a statement stating that he or she understands this choice.

(d) To the extent permitted by federal law, the child care assistance shall be paid for at the actual cost or the reimbursement maximum based on the regional market rate. The regional market rate means care costing no more than the 75th percentile of the cost of care for that region.

(e) It is the intent of the Legislature that, to the extent feasible, participants in the Alternative Assistance Program shall receive child care services through existing child care resources including the At-Risk Child Care program as specified in Section 8352 of the Education Code, funds made available under Section 11008.19 and the federal Child Care and Development Block Grant of 1990, established by the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508).

(f) A family whose eligibility for this program terminates due to employment or increased earnings shall, to the extent federal financial participation is possible, be eligible for transitional child care benefits established under Article 8 (commencing with Section 11500) and transitional Medi-Cal benefits provided for under Section 14005.8.

(g) This section shall be implemented only if the director executes a declaration, that shall be retained by the director, stating that federal approval for use of funds under Part A (commencing with Section 601) of Subchapter IV of Chapter 7 of Title 42 of the United States Code for the program and that federal approval for implementation of this section has been obtained, and specifying the duration of that approval.

SEC. 25. Section 11310 of the Welfare and Institutions Code is amended to read:

11310. (a) Except 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 years, except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative.

(2) Except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative, a child attending an elementary, secondary, vocational, or technical school on a full-time basis. A person who is 16 or 17 years of age, or a person described in subdivision (d) who loses this exemption, shall not requalify for the exemption by attending school as a required activity under the Greater Avenues for Independence program. For purposes of this subdivision, school does not include postsecondary education.

(3) An individual who is ill, incapacitated, or of advanced age.

(4) Except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative, an individual so remote from a program activity that his or her effective participation is precluded.

(5) Except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative, an individual whose presence in the home is required because of illness or incapacity of another member of the household.

(6) Except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative, a parent or other relative who meets the criteria described in subparagraph (A) or (B).

(A) Has primary responsibility for personally providing care to a child under the age of three years. An individual may be exempt only once for this reason during a period of continuous eligibility. An individual who has primary responsibility for personally providing care to a child under three years of age who has previously received this exemption shall be exempt for a period of four months, upon the birth or adoption of a child. An individual meeting this criterion who

volunteers to register may not be required to participate unless it is guaranteed that: (1) child care will be provided and (2) participation will not be required for more than 20 hours per week.

(B) Has primary responsibility for personally providing care to a child aged three to five years, inclusive, unless it is guaranteed that: (1) child care will be provided and (2) participation will not be required for more than 20 hours per week.

(C) In a family eligible for Aid to Families with Dependent Children payments due to the unemployment of the principal wage earner, the exemption criteria contained in subparagraph (A) or (B) shall be applied to only one parent.

(7) Except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative, a woman who is pregnant and it has been medically verified that the anticipated delivery date is the month of required participation or is within the six-month period immediately following the month of required participation.

(8) Except as provided in subdivision (b) of Section 11331.5, during that time the provision is operative, 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.

(9) An individual who is a full-time volunteer serving under the Volunteers in Service to America (VISTA) program, pursuant to Title 1 of the federal Domestic Volunteer Service Act of 1973 (P.L. 93-113).

(c) Any individual not required to register may choose to register voluntarily for manpower services, training, and employment, and may withdraw that registration at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way that would require registration.

(d) Notwithstanding subdivision (a), a custodial parent who is under 20 years of age and who has not earned a high school diploma or its equivalent, and who is not exempt or whose only basis for exemption is subparagraph (A) of paragraph (6) of subdivision (b), shall be required to register solely for the purpose of earning a high school diploma or its equivalent. During that time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent.

(1) Notwithstanding subparagraph (B) of paragraph (6) of subdivision (b), full-time participation shall be required of the parent.

(2) Paragraph (7) of subdivision (c) of Section 11325.2 shall apply to a custodial parent who is 18 or 19 years of age who is required to participate under this article. Any referral pursuant to a progress evaluation conference that results in an assignment to any training or work activity shall be subject to subparagraph (B) of paragraph (6) of subdivision (b).

(3) Custodial mothers under 20 years of age who have not earned a high school diploma or its equivalent shall be exempted due to incapacity as provided in paragraph (3) of subdivision (b) after the birth of the child for a period of postpartum recovery as prescribed by a physician.

(e) Notwithstanding subdivision (d), the county may determine at appraisal that participation in education activities for the purpose of earning a high school diploma or equivalent is inappropriate for an 18 or 19 year old custodial parent only if that parent is already in an educational or vocational training program that is approvable as a self-initiated program as specified in paragraph (5) of subdivision (c) of Section 11325.2. If that determination is made, the parent shall be allowed to continue participation in the self-initiated program subject to paragraph (5) of subdivision (c) of Section 11325.2. During that time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age or younger.

SEC. 26. Section 11322 of the Welfare and Institutions Code is amended to read:

11322. (a) The county welfare department shall submit to the department a program budget proposal in conjunction with the administrative cost control plan for Aid to Families with Dependent Children, Medi-Cal, and Food Stamp programs. The budget proposal shall specify the costs associated with providing the range of services included in the county plan in the most cost-effective manner.

(b) Prior to final approval of the county's budget proposal, 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 program budget to keep program expenditures within the amount of its allocation.

(c) (1) The state share of the nonfederal costs of the Greater Avenues for Independence program shall be 70 percent of the actual nonfederal expenditures for that program or the amount appropriated by the Legislature for that purpose, whichever is less.

(2) Notwithstanding paragraph (1), once the county has met the requirements of subdivision (d), the state shall pay 100 percent of the actual nonfederal expenditures above that requirement, up to the amount of the county's GAIN allocation.

(d) A county shall have no share of any nonfederal expenditures above the actual amount of nonfederal expenditures for this program

in the 1992–93 fiscal year, provided that the county has maintained the level of county matching funds it provided for this program in the 1992–93 fiscal year.

SEC. 27. Section 11322.2 of the Welfare and Institutions Code is amended to read:

11322.2. (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 revised plan.

(b) Counties shall achieve cost reductions pursuant to a revised plan required by subdivision (a), primarily by reducing the number of participants in the program in a manner consistent with Section 11322.4. Counties may make program efficiencies to the extent those reductions do not threaten the guarantee of services as required by subdivision (b) of Section 11321.2. In its review, the department shall ensure that any efficiencies do not create an effective barrier to participation on the part of current or future clients.

(c) The state share of the nonfederal costs of the Greater Avenues of Independence program shall be 70 percent of the actual nonfederal expenditures for that program or the amount appropriated by the Legislature for that purpose, whichever is less.

(d) A county shall have no share of any nonfederal expenditures above the actual amount of nonfederal expenditures for this program in the 1992–93 fiscal year, provided that the county has maintained the level of county matching funds it provided for this program in the 1992–93 fiscal year.

SEC. 28. Section 11322.4 of the Welfare and Institutions Code is amended to read:

11322.4. (a) In determining which clients shall receive services, counties shall give existing participants highest priority. If resources are not sufficient to serve all existing participants, the county shall temporarily exclude clients from participation in the following order:

(1) Participants who are not members of the target population.

(2) Participants who are members of the target population who do not volunteer for program services.

(3) Participants who are members of the target population who volunteer to receive program services.

(b) If funds are sufficient to serve all existing participants, priority for intake shall be extended to new program registrants according to the following list in descending order:

(1) Members of the target population who are required to register under this article and who volunteer to receive GAIN services.

(2) Members of the target population who are exempt from the requirement to register under this article and who volunteer to receive GAIN services.

(3) AFDC applicants and recipients who are required to register

under this article and who are members of the target population who do not volunteer to receive program services.

(4) Recipients of AFDC who are not members of the target population.

(5) Applicants for AFDC who are not members of the target population.

(c) The number of years, in whole year increments, each individual has received AFDC during the immediately preceding two year period shall determine which individuals shall receive the highest priority in the categories described in paragraphs (4) and (5) of subdivision (b), with those who received AFDC during the greatest amount of time receiving the highest priority.

(d) Target population means a group composed of all or any of the following groups of individuals:

(1) Individuals applying for AFDC aid who have received AFDC aid for 36 of the 60 months immediately preceding the most recent month for which application has been made.

(2) Individuals receiving AFDC aid who have received AFDC aid for any 36 of the preceding 60 months.

(3) Custodial parents under the age of 24 who had little or no work experience in the preceding year.

(4) Custodial parents under the age of 24 who have not completed a high school education and are not enrolled in high school, or in a high school equivalency course of instruction.

(5) Members of a family in which the youngest child is within two years of being ineligible for AFDC because of age.

(e) For the purposes of this section, "volunteer" means any person eligible to participate in the program, either exempt or mandatory, who expresses a desire to participate.

(f) Notwithstanding any other provisions of this article, any individual who fails to obtain unsubsidized employment after receiving post-assessment education and employment training services pursuant to subdivision (a), (c), (d), or (e) of Section 11322.8 shall not receive additional training or education services until all other persons qualified for those services are being served. However, additional training and education services pursuant to subdivision (a), (c), (d), or (e) of Section 11322.8 may be provided in extenuating circumstances as defined by the department. Extenuating circumstances shall be defined to include, but shall not be limited to, cases in which educational and training services previously provided cannot lead to employment within the local labor market area.

(g) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during that time the article is operative.

SEC. 29. Section 11323.4 of the Welfare and Institutions Code is amended to read:

11323.4. (a) Payments for supportive services, as described in Section 11323.2, shall be advanced to the participant, wherever

necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services.

(b) The county welfare department shall take all reasonable steps necessary to promptly correct any overpayment or underpayment of supportive services payments to a recipient or a service provider, including, but not limited to, all cases involving fraud and abuse, consistent with procedures developed by the department. The department's procedures shall not jeopardize federal financial participation.

(c) Notwithstanding any other provision of this article, any participant in on-the-job training who becomes ineligible for AFDC due to earned income, hours worked, or loss of income disregards, shall remain a participant in the GAIN program for the duration of the on-the-job training assignment and shall be eligible for supportive services during the duration of the on-the-job training. Each month of child care benefits provided pursuant to this subdivision shall reduce the number of months of transitional child care available to participants under Section 11500.

(d) (1) Notwithstanding any other provision of this article, any participant in on-the-job training, grant diversion, supported work, or transitional employment who remains eligible for aid pursuant to this chapter, shall be eligible for transportation and ancillary expenses pursuant to subdivisions (b) and (c) of Section 11323.2 only to the extent that federal financial participation is available.

(2) Participants shall be encouraged to apply for educational grants, scholarships, and awards.

(3) To the extent permitted by federal law, the county shall coordinate with financial aid offices to establish procedures whereby the educational expenses of participants are met through available financial aid and the supportive services described in Section 11323.2. These procedures shall not result in duplication of payments, and shall require determinations to be made on an individual basis to ensure that using financial assistance will not prevent the person's participation in his or her program.

(4) The department shall promulgate regulations to implement this subdivision.

SEC. 30. Section 11324.4 of the Welfare and Institutions Code is amended to read:

11324.4. (a) The sponsor of a preemployment preparation assignment shall assist and encourage qualified preemployment preparation participants to compete for job openings occurring within the sponsor's organization for which they qualify.

(b) Workers assigned to public agencies shall be allowed to participate in classified service examinations equivalent to the positions they occupy, as well as all open and promotional examinations for which experience in the position or other relevant experience is qualifying under merit system rules. To the extent permitted under federal or state law, local ordinance, or applicable collective bargaining agreements, time worked in the

preemployment preparation positions shall apply toward seniority in the merit public agency positions.

SEC. 31. Section 11324.6 of the Welfare and Institutions Code is amended to read:

11324.6. Any employment or training program position created pursuant to this article, other than a preemployment preparation position, may not be created as a result of, or may not result in, any of the following:

(a) Displacement or partial displacement of current employees, including overtime currently worked by these employees.

(b) The filling of positions which would otherwise be promotional opportunities for current employees.

(c) The filling of a position, prior to compliance with applicable personnel procedures or provisions of collective bargaining agreements.

(d) The filling of a position created by termination, layoff, or reduction in workforce, caused by the employer's intent to fill the position with a subsidized position pursuant to this article.

(e) A strike, lockout, or other bona fide labor dispute, or violation of any existing collective bargaining agreement between employees and employers.

SEC. 32. Section 11325 of the Welfare and Institutions Code is amended to read:

11325. Unless otherwise exempt, the following persons shall not be required to participate in program components, beyond registration, until the county welfare department determines that the situation not requiring participation no longer exists:

(a) (1) Any person who, at the time of initial appraisal, is enrolled on a full-time basis in a program leading to a degree or certificate. If the individual is attending less than full time at the time of initial appraisal, but he or she agrees to full-time attendance as soon as possible, the individual shall be considered to be attending on a full-time basis.

(2) Any person subject to this subdivision shall participate on a full-time basis and make satisfactory progress in that program according to the standards of the provider.

(3) A person may participate on a basis of less than full time, but not less than a half-time basis, if full-time participation is not feasible due to good cause, as defined in Section 11328.

(b) A person who is so seriously dependent upon alcohol or drugs that work or training is precluded.

(c) A person who is having an emotional or mental problem that precludes participation.

(d) A person who is involved in legal difficulties, such as court-maintained appearances, which preclude participation.

(e) A person who does not have the legal right to work in the United States.

(f) A person who has a severe family crisis.

(g) A person who is in good standing in a union which controls

referrals and hiring in the occupation.

(h) A person who is temporarily laid off from a job with a definite call-back date.

(i) A person who is employed for 15 or more hours per week.

(j) A person, or a family member, has a medically verified illness.

(k) A parent or other adult relative caring for a child, if the parent or other adult relative meets all of the following requirements:

(1) The other parent or other adult relative is in the home.

(2) The other parent or other adult relative is not excluded by paragraph (1), (2), (3), (4), or (5) of subdivision (b) of Section 11310.

(3) The other parent or other adult relative has not failed to register, as required by Section 11310.

(*l*) A woman in the first trimester of pregnancy.

(m) A person who lacks the necessary child care for children described in subdivision (a) of Section 11323.2 or for children described in that subdivision but who are not members of the assistance unit, or a person who lacks necessary transportation.

(n) Participation of individuals who are attending a self-initiated program upon entering GAIN may be deferred in order to permit completion of the program semester, quarter, or increment of not more than six months.

The state department shall promulgate regulations that specify when the county welfare department shall determine whether an individual meets any of the criteria listed in subdivisions (a) to (n), inclusive.

This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331), during that time that article is operative.

For all other registrants, the county shall develop a preliminary employability plan. The plan shall, at a minimum, take into account the registrant's employment experience and his or her employment goals.

SEC. 33. Section 11325.4 of the Welfare and Institutions Code is amended to read:

11325.4. (a) A participant described in paragraph (4) of subdivision (c) of Section 11325.2, and any participant described in paragraph (2) or (3) of that subdivision who has not obtained employment after his or her three weeks of participation in job club or supervised job search, shall work with the county welfare department to initiate the development of an employment plan. In developing the employment plan pursuant to this subdivision, the county and the participant shall develop an assessment of the skills and needs of the participant, which shall include at least all of the following:

(1) The participant's work history, including an inventory of his or her employment skills, knowledge, and abilities.

(2) The participant's educational history and present educational competency level.

(3) The participant's need for supportive services in order to obtain the greatest benefit from the employment and training services offered under this article.

(4) The employment goals of the participant, and an evaluation of the chances for the achievement of these goals given the current potential skills of the participant and the local labor market conditions.

(5) A goal to be attained upon completion of the program, including the period of time it will take to achieve this goal, and the resources available under this program for its achievement. This assessment shall be done by a person qualified by education or experience to provide counseling, guidance, assessment, or career planning. The county may contract with outside parties, including local educational agencies and service delivery areas, to provide the assessment required by this subdivision.

(b) (1) When the county and the participant have completed the assessment process required pursuant to subdivision (a), and they have agreed upon a goal to be attained under this program and the resources to be utilized in attaining that goal, the county and the participant shall amend the basic contract entered into pursuant to Section 11325.2.

(2) The contract amendment shall specify the goal to be attained, the training or education services to be provided to the participant in order to attain the goal, which may consist of either one or more of the program components provided for in Sections 11322.8 and 11323.2, and the criteria for successful completion of these services and attainment of the goal. With respect to education and training programs, the criteria shall include regular attendance, satisfactory progress, and completion of the program. The contract amendment shall provide for supportive services as necessary for participation in this program.

(3) Once the participant has begun his or her training or education, he or she shall have 30 days in which to request a change or reassignment to another component. The county shall grant the participant's request for reassignment to another component that is consistent with the results of the assessment. This grace period shall be specified in the contract amendment and shall be available only once to each participant.

(c) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during that time that article is operative.

SEC. 34. Section 11327.4 of the Welfare and Institutions Code is amended to read:

11327.4. (a) Whenever an individual has failed or refused to comply with program requirements without good cause in a program component to which he or she is assigned pursuant to this article, and the participant continues to fail or refuses to comply with program requirements after a period of conciliation between the county and the participant, the individual shall be subject to

sanctions specified in Section 11327.5. For the purposes of this article, "failing or refusing to comply with program requirements" shall be limited to: failing or refusing to sign a participant contract, participate in an assigned program activity, or accept employment; terminating employment; or reducing earnings. To the extent required by federal law or regulations, an individual who participates in the GAIN program and subsequently obtains employment of 30 hours or more per week and who remains on aid shall be considered to be refusing to comply with program requirements if he or she terminates that employment without good cause.

(b) The county shall schedule a time during which each individual who has failed or refused to comply with program requirements has an opportunity to demonstrate that he or she had good cause for that refusal or failure. The county shall schedule an appointment within 10 working days of the discovery of the non-participation. The individual shall be allowed to reschedule the cause determination appointment once. This rescheduled appointment shall take place within five working days of the initial appointment, unless delayed by extenuating circumstances. The county shall send a written notice that shall inform the individual of the scheduled appointment. The cause determination process shall not exceed 15 working days from the date of discovery of the nonparticipation, unless delayed by extenuating circumstances. The county notice shall include a list of the reasons that constitute good cause for not participating in the program, proposed date and time for an appointment and identify the transportation and child care services that a person is entitled to, as needed in order to attend the appointment. This notice shall inform the individual that failure to either attend the cause determination appointment or reschedule this appointment shall result in a cause determination in his or her absence, based on available evidence. Whenever a determination of good cause has been made, the county shall issue a written notice to the individual that reflects this determination.

(c) Whenever a county determines that a person failed or refused to meet program requirements without good cause, the county shall notify the individual, in writing, of this determination. The notice also shall inform the individual that he or she has entered into a 20-calendar-day period of conciliation, during which the county and the individual shall attempt to resolve any problems that are contributing to the failure or refusal to meet program requirements. This notice shall be mailed within five working days of the cause determination, unless delayed by extenuating circumstances. The 20-calendar-day period shall begin on the date the county issues the notice of the beginning of conciliation. The county may shorten the 20-calendar-day conciliation period only if one of the following conditions is met: (1) both the individual and the county agree, in writing, to terminate conciliation, or (2) the determination of no good cause has been reversed.

(d) The notice that begins the conciliation period shall identify

the specific act or actions that has caused the individual to be out of compliance with participation requirements under this article, the proposed steps that the registrant may take to resolve the problem, the right to offer a counter-proposed conciliation plan, and the names, telephone numbers, and addresses of the local legal services office and welfare rights office, or the Coalition of California Welfare Rights Organizations if there is no welfare rights or legal aid office in the county, who could assist the individual with conciliation. The notice shall also contain the date and time of the conciliation appointment and identify the transportation and child care services the individual is entitled to in order to attend the meeting.

(e) Any issue that directly affects an individual's failure or refusal to meet program requirements may be discussed during conciliation. This includes providing further information demonstrating the individual had good cause for his or her nonparticipation. The individual also may request a supervisor of employees to review the good cause determination. If, as a result of a supervisor's review, the determination that the individual did not have good cause is reversed, the county shall notify the individual in writing of this reversal and that the conciliation period has been terminated.

(f) In conducting conciliation, counties shall make reasonable efforts to discuss with each individual in person or by telephone those issues affecting participation. At a minimum, counties shall do all of the following:

(1) Schedule one meeting with the individual to discuss resolving the barriers to participation. Counties shall reschedule the meeting once at the request of the individual.

(2) Directly contact by phone those individuals who fail to attend the meeting required in paragraph (1). Written contact is required for those individuals who do not have a phone or who cannot be reached by phone.

(g) When the individual and the county reach agreement on program participation during the conciliation period, a written conciliation plan shall be entered into and signed by the county and the individual. If the individual subsequently fulfills the terms of the conciliation plan, conciliation shall be considered successful. The conciliation plan shall specify that the individual must complete the agreed upon activity, which may include signing the participant contract, attending orientation, or participating in a program component or participate for the first two weeks of the agreed upon program component, whichever is shorter.

(h) If an individual fails to fulfill the terms of the agreed-upon conciliation plan as specified in subdivision (g), the county shall make reasonable efforts to contact the individual to determine the reason for the failure, and shall maintain written documentation of those efforts. If the county determines, based on information available to it after making a reasonable effort to contact the individual, that the individual did not have good cause for the failure to meet the terms of the conciliation plan, sanctions shall be imposed

in accordance with Section 11327.5.

(i) If, at the end of the 20-calendar-day conciliation period, the individual continues to fail or refuse to comply with program requirements, sanctions shall be imposed in accordance with Section 11327.5. An additional 10-calendar-day extension of the conciliation period shall be available upon the agreement of the individual and the county only if both of the following conditions are met:

(1) The client has made a reasonable effort to conciliate during the initial 20-calendar-day conciliation period and that significant progress has been made toward a resolution to the dispute during that time.

(2) The county believes that an additional 10 calendar days of conciliation is likely to lead to agreement between the individual and the county on a conciliation plan.

(j) For the purpose of determining the length of the sanction that applies to an individual as described in Section 11327.5, an instance of noncompliance without good cause is considered to have occurred when the county issues a notice of action proposing to impose the sanction.

SEC. 35. Section 11330.11 is added to the Welfare and Institutions Code, to read:

11330.11. This article shall be operative only during that time that Article 3.5 (commencing with Section 11331) is not operative.

SEC. 36. Article 3.5 (commencing with Section 11331) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.5. Cal-Learn Program

11331. (a) The Legislature finds and declares that the connection between teenage parenting and long-term welfare dependency has been well documented by recent social science research. An estimated 60 percent of teenage parents who are currently receiving welfare will have 10 or more years of dependency on aid. Average time on aid for teenage parents is significantly longer than for parents who begin families at an older age.

(b) The Legislature finds that teenage parents who receive assistance under the Aid to Families with Dependent Children program have unique education, vocational, training, health, and other social service needs that are not specifically provided for as part of the Greater Avenues for Independence (GAIN) program. Research shows that successful programs that help teenage parents achieve self-sufficiency contain the following features:

(1) A comprehensive range of health and social services.

(2) Adequate supportive services.

(3) A sympathetic and supportive program atmosphere.

(4) Individual attention, especially regarding education pace and plan.

(5) An open format and an extended period of program availability.

(6) Caring, nonjudgmental staff.

(7) Strong case management systems, including followup activities to determine whether a student is progressing in his or her studies.

(c) The Legislature declares that this article is intended to ensure that the GAIN program does all of the following:

(1) Provide the education and training services needed by teenage parents to help them earn a high school diploma or its equivalent, including vocational training and preparation that may be available through local education agencies.

(2) Link teenagers to other needed health and social services available in the community.

11331.5. (a) Recipients of aid under this chapter who are under 19 years of age, who are pregnant or custodial parents, and who are required to register pursuant to Section 11310 shall be required to participate in the program, subject to both of the following requirements:

(1) The teenage parent shall participate in the program until the registrant earns his or her high school diploma or its equivalent.

(2) The teenage parent shall participate in the program as a student attending school on a full-time basis, as normally defined by the school in which the participant enrolls.

(b) For the purpose of subdivision (a), exemptions from registration specified in paragraphs (1), (2), (4), (5), (6), (7), and (8) of subdivision (b) of Section 11310 and the deferrals from participation in Section 11325 shall not apply.

(c) Notwithstanding subdivision (a), the county shall exempt a teenage parent from the program as verified by the county when any of the following conditions occur:

(1) The teenage parent is expelled from school and obtains verification that no other school in the district will permit him or her to attend, and the case manager cannot arrange for enrollment in an alternative school.

(2) The teenage parent cannot receive payment for child care or transportation expenses due to lack of program funding.

(3) Child care is necessary and unavailable.

(4) Public or private transportation is necessary and unavailable.

(5) An AFDC-FC payment is made on behalf of the teenage parent.

(d) For the purposes of this article, "teen" or "teenage parent" means a custodial parent or pregnant woman under 19 years of age, who is required to participate pursuant to subdivision (a).

11331.7. Counties shall arrange for the provision of education and supportive services that teenage parents need to successfully participate in the Cal-Learn Program. The county shall identify the need of each individual for, and the method of providing, the following services:

(a) Supportive services, including child care and transportation, as specified in Section 11323.2. Supportive services shall be limited to those that are necessary to enable the teenage parent to attend school regularly.

(b) Intensive case management services, as described in Section 11332.5.

11332. (a) Participation by a teenage parent shall be deferred if the county determines that any of the services an individual is assessed as needing pursuant to Section 11331.7 are not available.

(b) Participation by a teenage parent shall be deferred so long as the individual has a special need that directly affects his or her ability to attend school or be successful in earning a high school diploma and the special need cannot be addressed.

11332.5. (a) Counties shall arrange for the provision of case management services and counseling to teenage parents to assist their participation in the Cal-Learn Program. Case management services shall include all of the following:

(1) Designing a realistic plan that maximizes the ability of each client to reach his or her goal.

(2) Providing referrals to appropriate community services needed to assist the teenage parent's return to school.

(3) Monitoring each client's progress and making the necessary changes to improve the individual's program.

(4) (A) Acting as a counselor, colleague, and role model so that each teenage parent has someone to trust and to turn to for advice, guidance, and ideas.

(B) Case managers should be prepared to provide intensive counseling during all phases of a teenage parent's progress through the program.

(5) Ensuring that each teenage parent understands the program requirements and the consequences of not making adequate or satisfactory progress required under this article.

(b) Counties shall afford case managers assigned to assist teenage parents sufficient time to provide the needed case management services.

(c) (1) Case managers assigned to assist teenage parents shall possess an expertise in understanding the education, training, and other social and health service needs of teenage parents, as well as the local programs that provide these services.

(2) Each county, in conjunction with the department, shall provide training to persons assigned to work with teenage parents to develop the expertise required by subparagraph (A).

(d) The county plan required by Section 11320.6 shall describe the way each county proposes to provide case management services to teenage parents.

11332.7. (a) Notwithstanding Article 3.2 (commencing with Section 11320), there shall be no limits on the amount of time that a teenage parent under the age of 19 may participate in the initial education components of the program in order to achieve a high

school diploma or its equivalent.

(b) Teenage parents who begin participation in the program before the age of 19 may continue to receive needed intensive case management services after the age of 19 until the individual earns a high school diploma or its equivalent.

11333. (a) Except as provided in subdivision (b), counties shall contract for the provision of case management services, as described in subdivision (b) of Section 11331.7 and in Section 11332.5, with public or nonprofit agencies or school districts that administer services under the Adolescent Family Life Program (Article 3.2 (commencing with Section 309.100) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code).

(b) Counties may contract with other public or nonprofit agencies or school districts for case management services or provide case management services directly in cases where services from contractors under the Adolescent Family Life Program are not available or cost-effective, or where the county has an existing teen services program, and if all the following conditions are met:

(1) The Director of Health Services has determined that the services conform to the standards and scope of services provided through the Adolescent Family Life Program.

(2) The county plan includes a justification for not contracting with the Adolescent Family Life Program.

(3) The services are designed with the cooperation of the local health agency.

(c) Counties shall include Adolescent Family Life Program contractors in their planning of Cal-Learn implementation.

11333.5. (a) Counties shall develop linkages with local service providers that serve teenage parents, to the extent that they are required under subdivision (a) of Section 11320.8.

(b) The county plan required by Sections 11320.6 and 11320.8 shall specifically describe those required services that are available to teenage parents, as follows:

(1) An identification of available services to teenagers.

(2) The extent to which these programs are currently serving AFDC recipients.

(3) The resources that these programs may make available to GAIN participants.

(4) The linkages established with these programs.

(c) The department shall review each county's plan to determine both of the following:

(1) Whether the intensity of case management services provided by the county meets the requirements of subdivision (b) of Section 11331.7.

(2) Whether the requirements specified in Sections 11320.6 and 11320.8 address the availability of services to teenagers.

11333.7. (a) Any participant required to participate pursuant to Section 11331.5 who maintains satisfactory progress in school shall, not more than four times in a calendar year, receive a one hundred

dollar ($100) supplement to the amount of aid paid pursuant to Section 11450. The supplement shall be paid to the family in the month following submission of the report card, if received by the county no later than the eleventh calendar day of the month, or in the second month following submission of the report card, if received by the county after the eleventh calendar day of the month.

(b) (1) Any participant required to participate pursuant to Section 11331.5 who fails to demonstrate that he or she has made adequate progress in school, either by failing to provide the report card or based on the grades on the report card, shall, not more than four times in a calendar year, be subject to a sanction that shall be a reduction of one hundred dollars ($100) of the amount that would otherwise be paid under Section 11450 apportioned equally over a two-month period.

(2) Participants subject to this sanction may seek to demonstrate good cause for lack of progress, and have all or part of the sanction waived if the county determines that there is good cause for lack of adequate progress. Participants shall not otherwise be subject to conciliation under Section 11327.4 and sanctions under Section 11327.5, and shall be referred to case management services to determine the causes of poor school performance and how it can be improved.

(c) Any participant required to participate pursuant to Section 11331.7 who successfully completes high school or a California high school equivalency examination shall receive a five hundred dollar ($500) supplement to the amount of aid to the family paid pursuant to Section 11450. No family shall receive both a one hundred dollar ($100) supplement and a five hundred dollar ($500) supplement for the same participant for the same budget month. The supplement shall be paid to the teenage parent in the month following submission of the record of completion, if received by the county no later than the eleventh calendar day of the month, or in the second month following submission of the record of completion, if received by the county after the eleventh calendar day of the month.

(d) The sanction specified in subdivision (b) shall be applied only once per report card, not to exceed fifty dollars ($50) in any single month, and shall be applied to the amount of aid paid to the participant's family pursuant to Section 11450. The participant shall submit a copy of the report card to the case manager within 10 working days of receipt of the report card.

(e) (1) For purposes of this section, in schools that provide periodic report cards with letter grades, satisfactory progress means maintaining a grade point average of at least 2.0 on a scale where A equals 4.0 points and F equals 0 points, and adequate progress means maintaining a grade point average of at least 1.0 on the same scale.

(2) For the purposes of this section, in schools or other educational programs that do not provide letter grades indicating student performance, satisfactory progress or inadequate progress shall be determined by the school's regular assessment of periodic progress.

(f) In cases where a participant is subject to a sanction pursuant to subdivision (b), case managers shall do all of the following:

(1) Fully inform teenage parents of the consequences of continuing to fail to comply with the program.

(2) Make reasonable efforts to reach teenage parents who they believe are in danger of continuing to fail to make satisfactory or adequate progress or not to attend school.

(3) Make reasonable efforts to secure a face-to-face meeting with a teenage parent before initiating a sanction.

(g) If a teenage parent fails or refuses to comply with program requirements without good cause, the case manager shall again inform the client of the consequences of not participating in the program, and shall provide the teenage parent with the telephone number and address of the local welfare rights organization or legal aid society, should he or she need further assistance.

11334. Upon graduation from high school, participants shall not be entitled to exemption from GAIN pursuant to paragraph (6) of subdivision (b) of Section 11310.

11334.2. This article shall become operative on the date that, and only if, the Director of Social Services has executed a declaration, that shall be retained by the director, stating that the appropriate federal waivers permitting funding pursuant to Part A (commencing with Section 601) of Subchapter IV of Chapter 7 of Title 42 of the United States Code have been obtained, but not sooner than January 1, 1994. This article shall remain operative only so long as the waivers are effective and federal financial participation is available. The program shall be operated by all counties not later than 12 months from the operative date of this article. Sanctions and bonuses pursuant to Section 11333.7 shall be applied in the first quarter following participant notification of program requirements.

11334.5. Notwithstanding Sections 11322 and 11322.2, the state shall fund 100 percent of the nonfederal share of case management and supportive services provided under the Cal-Learn program. The net costs of bonuses and sanctions provided pursuant to Section 11330.10 shall be subject to the same financial participation as payment under subdivision (a) of Section 11450, and administrative cost associated with applying these bonuses and sanctions shall be subject to the financial participation specified in Section 15204.2.

11334.7. The director may provide funds to support this article in an item separate from other GAIN activities, and these funds shall not be subject to Section 11322.4.

SEC. 37. Section 11450.015 is added to the Welfare and Institutions Code, to read:

11450.015. (a) Notwithstanding any other provision of law, the maximum aid payments in effect on June 30, 1993, in accordance with paragraph (1) of subdivision (a) of Section 11450 as reduced by subdivisions (a) and (b) of Section 11450.01, shall be reduced by 2.7 percent beginning the first of the month following 60 days after the enactment of this section.

(b) Commencing July 1, 1996, the maximum aid payment levels in effect on June 30, 1996, shall be increased by the total dollar amount of the decrease made in each payment level during the 1992–93 fiscal year pursuant to Section 11450.01.

SEC. 38. Section 11451.7 is added to the Welfare and Institutions Code, to read:

11451.7. There shall be paid to each family eligible under this chapter, together with the amounts paid pursuant to Section 11450, a supplemental child care payment, to the maximum extent consistent with federal law and subject to federal financial participation.

SEC. 39. Section 11461 of the Welfare and Institutions Code is amended to read:

11461. (a) For children placed in a licensed or approved family home with a capacity of six or less, or in an approved home of a relative or nonrelated legal guardian, the per child per month rates in the following schedule shall be in effect for the period July 1, 1989, through December 31, 1989:

Age	Basic rate
0–4	$ 294
5–8	319
9–11	340
12–14	378
15–20	412

(b) (1) Any county that, as of October 1, 1989, has in effect a basic rate that is at the levels set forth in the schedule in subdivision (a), shall continue to receive state participation, as specified in subdivision (c) of Section 15200, at these levels.

(2) Any county that, as of October 1, 1989, has in effect a basic rate that exceeds a level set forth in the schedule in subdivision (a), shall continue to receive the same level of state participation as it received on October 1, 1989.

(c) The amounts in the schedule of basic rates in subdivision (a) shall be adjusted as follows:

(1) Effective January 1, 1990, the amounts in the schedule of basic rates in subdivision (a) shall be increased by 12 percent.

(2) Effective May 1, 1990, any county which did not increase the basic rate by 12 percent on January 1, 1990, shall do all of the following:

(A) Increase the basic rate in effect December 31, 1989, for which state participation is received by 12 percent.

(B) Increase the basic rate, as adjusted pursuant to subparagraph (A) by an additional 5 percent.

(3) (A) Except as provided in subparagraph (B), effective July 1, 1990, for the 1990–91 fiscal year, the amounts in the schedule of basic rates in subdivision (a) shall be increased by an additional 5 percent.

(B) The rate increase required by subparagraph (A) shall not be

applied to rates increased May 1, 1990, pursuant to paragraph (2).

(d) (1) Beginning with the 1991–92 fiscal year, the schedule of basic rates in subdivision (a) shall be adjusted by the percentage changes in the California Necessities Index, computed pursuant to the methodology described in Section 11453, subject to the availability of funds.

(2) Any county that, as of the 1991–92 fiscal year, receives state participation for a basic rate that exceeds the amount set forth in the schedule of basic rates in subdivision (a) shall receive an increase each year in state participation for that basic rate of one-half of the percentage adjustments specified in paragraph (1) until the difference between the county's adjusted state participation level for its basic rate and the adjusted schedule of basic rates is eliminated.

(3) If a county has, after receiving the adjustments specified in paragraph (2), a state participation level for a basic rate that is below the amount set forth in the adjusted schedule of basic rates for that fiscal year, the state participation level for that rate shall be further increased to the amount specified in the adjusted schedule of basic rates.

(e) (1) As used in this section, "specialized care increment" means an approved amount paid with state participation on behalf of an AFDC-FC child requiring specialized care to a home listed in subdivision (a) in addition to the basic rate. On the effective date of this section, the department shall continue and maintain the current ratesetting system for specialized care.

(2) Any county that, as of the effective date of this section, has in effect specialized care increments that have been approved by the department, shall continue to receive state participation for those payments.

(3) Any county that, as of the effective date of this section, has in effect specialized care increments that exceed the amounts that have been approved by the department, shall continue to receive the same level of state participation as it received on the effective date of this section.

(4) (A) Except for subparagraph (B), beginning January 1, 1990, specialized care increments shall be adjusted in accordance with the methodology for the schedule of basic rates described in subdivision (c). No county shall receive state participation for any increases in a specialized care increment which exceeds the adjustments made in accordance with this methodology.

(B) Notwithstanding subdivision (e) of Section 11460, for the 1993–94 fiscal year, an amount equal to 5 percent of the State Treasury appropriation for family homes shall be added to the total augmentation for the AFDC-FC program in order to provide incentives and assistance to counties in the area of specialized care. This appropriation shall be used, but not limited to, encouraging counties to implement or expand specialized care payment systems, to recruit and train foster parents for the placement of children with specialized care needs, and to develop county systems to encourage

the placement of children in family homes. It is the intent of the Legislature that in the use of these funds, federal financial participation shall be claimed whenever possible.

(5) The department shall report, in consultation with counties, the State Foster Parents Association, and representatives of other foster care providers, to the Legislature by December 31, 1990, on the department's specialized care ratesetting system regarding its effectiveness in meeting the special needs of children in foster care. At a minimum, the department's report shall address the following:

(A) A description of the current specialized care system and its strengths and weaknesses.

(B) The characteristics of children receiving specialized care and the cost of that care.

(C) The types of specialized care which are needed by children but which are not readily available for these children; the cost of providing that care; and the current placements of children with special needs in the absence of that care.

(D) The extent to which specialized foster family care can provide an alternative to group home care and the costs and savings which would be associated with greater emphasis on specialized family foster care.

(E) Recommendations on needed improvements to specialized family foster care.

(f) (1) As used in this section, "clothing allowance" means the amount paid with state participation in addition to the basic rate for the provision of additional clothing for an AFDC-FC child, including, but not limited to, an initial supply of clothing and school or other uniforms.

(2) Any county that, as of the effective date of this section, has in effect clothing allowances, shall continue to receive the same level as it received on the effective date of this section.

(3) Beginning January 1, 1990, clothing allowances shall be adjusted annually in accordance with the methodology for the schedule of basic rates described in subdivision (c). No county shall be reimbursed for any increases in clothing allowances which exceed the adjustments made in accordance with this methodology.

SEC. 40. Section 11462 of the Welfare and Institutions Code, as amended by Section 40 of Chapter 722 of the Statutes of 1992, is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under

subdivision (h) of Section 11400.

(3) The department shall terminate the rate, effective January 1, 1993, of any group home that is not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each rate classification level (RCL) has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986–87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, the single rate established for each RCL, and the rate floor for each RCL.

(e) The standardized schedule of rates shall be phased in commencing July 1, 1990.

(1) In order to phase in the standardized schedule of rates, a "rate floor" has been established for each RCL.

(2) The rate floor for the 1990–91 fiscal year shall be 85 percent of the standard rate for each RCL. The rate floor shall be increased to 92.5 percent of the standard rate for the 1991–92 fiscal year for each RCL, shall be equal to the standard rate for each RCL for the period July 1, 1992, to September 13, 1992, inclusive, and shall be 92.5 percent of the standard rate for each RCL for the period September 14, 1992, to June 30, 1993, inclusive.

(3) The rate floor for each RCL shall be 95 percent of the standard rate for each RCL for the 1993–94 fiscal year. The rate floor shall be equal to the standard rate for each RCL for the 1994–95 fiscal year and beyond.

(f) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) For a group home program for which the department established a rate effective prior to June 30, 1990, that took into account the program's historical costs, the department shall establish the rate for the 1990–91 fiscal year by determining the RCL on a retrospective basis, according to the level of care and services actually provided between July 1 and December 31, 1989, or between

July 1, 1989, and March 31, 1990.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(g) The standardized schedule of rates for the 1990–91 fiscal year is:

Rate Classification Level	Point Ranges	FY 1990–91 Standard Rate	FY 1990–91 Rate Floor (85%)
1	Under 60	$1,183	$1,006
2	60– 89	1,478	1,256
3	90–119	1,773	1,507
4	120–149	2,067	1,757
5	150–179	2,360	2,006
6	180–209	2,656	2,258
7	210–239	2,950	2,508
8	240–269	3,245	2,758
9	270–299	3,539	3,008
10	300–329	3,834	3,259
11	330–359	4,127	3,508
12	360–389	4,423	3,760
13	390–419	4,720	4,012
14	420 & Up	5,013	4,261

(h) (1) For the 1990–91 fiscal year, the standardized schedule of rates shall be implemented as follows:

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the fiscal year 1990–91 RCL shall receive their 1989–90 rate plus an amount equal to the California Necessities Index (CNI). The rate for the 1990–91 fiscal year at which the state will participate shall not exceed the standard rate for the RCL.

(B) If the CNI increase to the group home program's 1989–90 fiscal year rate does not raise the group home program to the rate floor for the RCL, the group home program shall receive a rate equal to the rate floor for the RCL.

(C) A group home program which received an AFDC-FC rate for the 1989–90 fiscal year at or above the standard rate for the RCL for the 1990–91 fiscal year shall continue to receive the 1989–90 fiscal year rate.

(2) For the 1996–97 fiscal year and the 1997–98 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to CNI computed pursuant to the methodology described in Section

11453.

(3) Notwithstanding paragraph (2), on and after the operative date of this paragraph the standardized rate for each RCL in effect on June 30, 1992, shall be the standardized rate for the remainder of fiscal year 1992–93. The department shall adjust rates downward, as necessary to comply with this paragraph.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) A group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive that rate adjusted by an amount equal to the CNI. The rate for the current fiscal year shall not exceed the standard rate for the RCL and shall not be less than the rate floor for the RCL.

(4) Beginning with the 1994–95 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) Any group home program which received an AFDC-FC rate in the prior fiscal year below the adjusted standard rate for the RCL in the current fiscal year shall receive the adjusted RCL rate.

(i) (1) (A) The rate for a new group home program of a new or existing provider shall be established at the rate floor for the new program's projected RCL.

(B) On and after the operative date of this subparagraph, the department shall not, prior to July 1, 1993, establish a rate for a new group home program of a new or existing provider. However, in order to allow for the continued operation of group homes which, prior to January 1, 1993, had a rate established as a group home organized and operated on a for-profit basis and which have subsequently organized and operated on a nonprofit basis, the department shall establish a rate for the remainder of the 1992–93 fiscal year for those providers not to exceed the RCL and AFDC-FC rate received by the provider prior to the operative date of this subparagraph.

(2) The department shall not establish a rate for a new program of a new or existing provider unless the provider submits a recommendation from the host county, the primary placing county, or a regional consortium of counties that the program is needed in that county; that the provider is capable of effectively and efficiently operating the program; and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(3) The department shall encourage the establishment of

consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(4) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Sections 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or the AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) (A) Prior to July 1, 1993, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective June 30, 1992. For rate increases as a result of a program change which become effective between July 1, 1992, and the effective date of this paragraph, the department shall adjust rates downward, as necessary, to comply with this chapter. Notwithstanding any other provision of law, a group home provider shall be allowed to change a group home program to reflect a decrease in services due to the provisions of this paragraph.

(B) For the 1993–94 fiscal year, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 1993, except as provided in paragraph (3).

(3) (A) Commencing with the operative date of this paragraph and only during the 1992–93 fiscal year, and the 1993–94 fiscal year, the department shall not establish a rate for a new program of a new or existing provider, or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as the result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the conditions specified in this paragraph are met.

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if the licensee obtains a letter of recommendation from the host county, primary placing county, or regional

consortium of counties regarding the proposed program change or new program and the new program or program change will result in a reduction of referrals to state hospitals during the 1992–93 fiscal year or the 1993–94 fiscal year.

(*l*) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section.

(m) The department shall, by October 1 each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care which may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993–94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

(n) Following the initial implementation of the group home ratesetting system described in this section, the department, with the advice and assistance of the counties and representatives of providers of group home care, may submit to the Legislature recommendations to modify the program classification point system, number of rate classification levels, amounts that make up the standardized schedule of rates, or other components of the system. These recommendations shall be based on the department's review and evaluation of the program classification system, group home cost data collected pursuant to Section 11466.3, and information from the Group Home Program Statements and Level of Care Assessments specified in Section 11467.

(o) This section shall remain in effect only until July 1, 1995, and as of that date is repealed, unless a later enacted statute, which becomes effective on or before July 1, 1995, deletes or extends that date.

SEC. 41. Section 11462 of the Welfare and Institutions Code, as amended by Section 41 of Chapter 722 of the Statutes of 1992, is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and

operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each rate classification level (RCL) has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986–87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, the single rate established for each RCL, and the rate floor for each RCL.

(e) The standardized schedule of rates shall be phased in commencing July 1, 1990.

(1) In order to phase in the standardized schedule of rates, a "rate floor" has been established for each RCL.

(2) The rate floor for fiscal year 1990–91 shall be 85 percent of the standard rate for each RCL. The rate floor shall be increased to 92.5 percent of the standard rate for fiscal year 1991–92 for each RCL, shall be equal to the standard rate for each RCL for the period July 1, 1992, to September 13, 1992, inclusive, and shall be 92.5 percent of the standard rate for each RCL for the period September 14, 1992, to June 30, 1993, inclusive.

(3) The rate floor for each RCL shall be 95 percent of the standard rate for each RCL for the 1993–94 fiscal year. The rate floor shall be equal to the standard rate for each RCL for the 1994–95 fiscal year and beyond.

(f) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) For a group home program for which the department established a rate effective prior to June 30, 1990, that took into account the program's historical costs, the department shall establish the rate for fiscal year 1990–91 by determining the RCL on a retrospective basis, according to the level of care and services actually provided between July 1 and December 31, 1989, or between July 1, 1989, and March 31, 1990.

(2) Group home programs that fail to maintain at least the level

of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(g) The standardized schedule of rates for fiscal year 1990–91 is:

Rate Classification Level	Point Ranges	FY 1990–91 Standard Rate	FY 1990–91 Rate Floor (85%)
1	Under 60	$1,183	$1,006
2	60– 89	1,478	1,256
3	90–119	1,773	1,507
4	120–149	2,067	1,757
5	150–179	2,360	2,006
6	180–209	2,656	2,258
7	210–239	2,950	2,508
8	240–269	3,245	2,758
9	270–299	3,539	3,008
10	300–329	3,834	3,259
11	330–359	4,127	3,508
12	360–389	4,423	3,760
13	390–419	4,720	4,012
14	420 & Up	5,013	4,261

(h) (1) For fiscal year 1990–91, the standardized schedule of rates shall be implemented as follows:

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the fiscal year 1990–91 RCL shall receive their 1989–90 rate plus an amount equal to the California Necessities Index (CNI). The rate for fiscal year 1990–91 at which the state will participate shall not exceed the standard rate for the RCL.

(B) If the CNI increase to the group home program's fiscal year 1989–90 rate does not raise the group home program to the rate floor for the RCL, the group home program shall receive a rate equal to the rate floor for the RCL.

(C) A group home program which received an AFDC-FC rate for fiscal year 1989–90 at or above the standard rate for the RCL for fiscal year 1990–91 shall continue to receive that fiscal year 1989–90 rate.

(2) For the 1996–97 and 1997–98 fiscal years, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) A group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive that rate adjusted by an amount equal to the CNI. The rate for the current fiscal year shall not exceed the standard rate for the RCL and shall not be less than the rate floor for the RCL.

(3) Beginning with the 1994–95 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) Any group home program which received an AFDC-FC rate in the prior fiscal year below the adjusted standard rate for the RCL in the current fiscal year shall receive the adjusted RCL rate.

(i) (1) (A) The rate for a new group home program of a new or existing provider shall be established at the rate floor for the new program's projected RCL.

(B) On and after the operative date of this subparagraph, the department shall not, prior to July 1, 1993, establish a rate for a new group home program of a new or existing provider.

(2) The department shall not establish a rate for a new program of a new or existing provider unless the provider submits a recommendation from the host county, the primary placing county, or a regional consortium of counties that the program is needed in that county; that the provider is capable of effectively and efficiently operating the program; and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(3) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(4) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Sections 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not

constitute a program change.

(2) (A) Prior to July 1, 1993, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective June 30, 1992. For rate increases as a result of a program change which became effective between July 1, 1992, and the effective date of this paragraph, the department shall adjust rates downward as necessary to comply with this chapter. Notwithstanding any other provisions of law, a group home provider shall be allowed to change a group home program to reflect a decrease in services due to the provisions of this paragraph.

(B) For the 1993–94 fiscal year, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 1993, except as provided in paragraph (3).

(3) (A) For the 1993–94 fiscal year, the department shall not establish a rate for a new program of a new or existing provider or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC capacity of the program as a result of decreases in the AFDC-FC or RCL rate for rate, or increases the licensed another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the conditions specified in this paragraph are met.

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if (i) the licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program, and (ii) the new program or program change will result in a reduction of referrals to state hospitals during the 1993–94 fiscal year.

(*l*) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section.

(m) The department shall, by October 1 each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care which may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993–94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

(n) Following the initial implementation of the group home ratesetting system described in this section, the department, with the advice and assistance of the counties and representatives of providers of group home care, may submit to the Legislature recommendations to modify the program classification point system, number of rate classification levels, amounts that make up the standardized schedule of rates, or other components of the system. These recommendations shall be based on the department's review and evaluation of the program classification system, group home cost data collected pursuant to Section 11466.3, and information from the Group Home Program Statements and Level of Care Assessments specified in Section 11467.

(o) This section shall become operative on July 1, 1995.

SEC. 42. Section 12200.015 is added to the Welfare and Institutions Code, to read:

12200.015. (a) Notwithstanding any other provision of law, the maximum aid payments in effect on June 30, 1993, in accordance with Section 12200, as reduced by subdivision (a) of Section 12200.01, except subdivisions (e), (g), and (h) of Section 12200, shall be reduced by 2.7 percent beginning the first of the month following 60 days after the enactment of this section.

(b) Commencing July 1, 1996, the maximum aid payment levels in effect on June 30, 1996, that were reduced by Section 12200.01 shall be increased by the dollar amount of the decrease made in each payment level during the 1992–93 fiscal year pursuant to Section 12200.01.

(c) Notwithstanding subdivision (a), in no event shall the payment schedules be reduced below the level required by the federal Social Security Act in order to maintain eligibility for federal funding under Title XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 43. Section 12201.03 of the Welfare and Institutions Code is amended to read:

12201.03. (a) For the 1992, 1993, 1994, 1995, and 1996 calendar years, if no cost-of-living adjustment is made pursuant to Section 12201, the payment schedules set forth in Sections 12200, 13920, and 13921, as adjusted pursuant to Section 12201, shall include the pass along of any cost-of-living increases in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code.

(b) Notwithstanding paragraph (2) of subdivision (d) of Section 12201, any adjustments made pursuant to this section to reflect the pass along of federal cost-of-living adjustments shall be included in the base amounts for purposes of determining cost-of-living adjustments made pursuant to Section 12201.

(c) Notwithstanding subdivision (a), no pass along of any cost-of-living increase in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the

United States Code shall be made in 1994. This provision shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

(d) Notwithstanding subdivision (a), in no event shall the payment schedules be reduced below the level required by the federal Social Security Act in order to maintain eligibility for federal funding under Title XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 44. Section 12301.6 of the Welfare and Institutions Code is amended to read:

12301.6. (a) Notwithstanding Sections 12302 and 12302.1, a county board of supervisors may, at its option, elect to do either of the following:

(1) Contract with a nonprofit consortium for the delivery on in-home supportive services.

(2) Establish, by ordinance, a public authority to provide for the delivery of in-home supportive services.

(b) (1) To the extent that a county elects to establish a public authority pursuant to paragraph (2) of subdivision (a), the enabling ordinance shall specify the membership of the governing body of the public authority, the qualifications for individual members, the manner of appointment, selection, or removal of members, how long they shall serve, and other matters as the board of supervisors deems necessary for the operation of the public authority. A public authority so established shall be an entity separate from the county, and shall file the statement required by Section 53051 of the Government Code.

(2) A public authority established pursuant to paragraph (2) of subdivision (a) shall be both of the following:

(A) An entity separate from the county, and shall be required to file the statement required by Section 53051 of the Government Code.

(B) A corporate public body, exercising public and essential governmental functions and that has all powers necessary or convenient to carry out the delivery of in-home supportive services. Employees of the public authority shall not be employees of the county for any purpose.

(3) (A) As an alternative, the enabling ordinance may designate the board of supervisors as the governing body of the public authority.

(B) Any enabling ordinance that designates the board of supervisors as the governing body of the public authority shall also specify that no fewer than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance services paid for through public or private funds or recipients of services under this article.

(C) If the enabling ordinance designates the board of supervisors as the governing body of the public authority, it shall also require the

appointment of an advisory committee of not more than 11 individuals who shall be designated in accordance with subparagraph (B).

(D) Prior to making designations of committee members pursuant to subparagraph (C), or governing body members in accordance with paragraph (4), the board of supervisors shall solicit recommendations of qualified members of either the governing body of the public authority or of any advisory committee through a fair and open process that includes the provision of reasonable, written notice to, and a reasonable response time by, members of the general public and interested persons and organizations.

(4) If the enabling ordinance does not designate the board of supervisors as the governing body of the public authority, the enabling ordinance shall require the membership of the governing body to meet the requirements of subparagraph (B) of paragraph (3).

(c) (1) Any public authority created pursuant to this section shall be deemed to be the employer of in-home supportive services personnel referred to recipients under this section within the meaning of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code. Recipients shall retain the right to select, terminate, and direct the work of any in-home supportive services personnel providing services to them.

(2) (A) Any nonprofit consortium contracting with a county pursuant to this section shall be deemed to be the employer of in-home supportive services personnel for the purposes of collective bargaining over wages, hours, and other terms and conditions of employment.

(B) Recipients shall retain the right to select, terminate, and direct the work of any in-home supportive services personnel providing services for them.

(d) Any nonprofit consortium contracting with a county pursuant to this section or any public authority established pursuant to this section shall provide all of the following services under this article, but shall not be limited to those services:

(1) The provision of assistance to recipients in finding in-home supportive services personnel through the establishment of a registry.

(2) Investigation of the qualifications and background of potential personnel.

(3) Establishment of a referral system under which in-home supportive services personnel shall be referred to recipients.

(4) Performing any other functions related to ensuring that qualified personnel are available to perform in-home supportive services and to meet the requirements of the personal care option.

(e) (1) Any nonprofit consortium contracting with a county pursuant to this section or any public authority created pursuant to this section shall be deemed not to be the employer of in-home supportive services personnel referred to recipients under this

section for purposes of liability due to the negligence or intentional torts of the in-home supportive services personnel.

(2) In no case shall a nonprofit consortium contracting with a county pursuant to this section or any public authority created pursuant to this section be held liable for action or omission of any in-home supportive services personnel whom the nonprofit consortium or public authority did not list on its registry or otherwise refer to a recipient.

(3) Counties shall be immune from any liability resulting from their implementation of this section in the administration of the In-Home Supportive Services program. Any obligation of the public authority or consortium pursuant to this section, whether statutory, contractual, or otherwise, shall be the obligation solely of the public authority or nonprofit consortium, and shall not be the obligation of the county or state.

(f) Any nonprofit consortium contracting with a county pursuant to this section shall ensure that it has a governing body that complies with the requirements of subparagraph (B) of paragraph (2) of subdivision (b) or an advisory committee that complies with subparagraph (C) of paragraph (2) of subdivision (b).

(g) Recipients of services under this section may elect in-home supportive services personnel who are not referred to them by the public authority or nonprofit consortium. Those personnel shall be referred to the public authority or nonprofit consortium for the purposes of wages, benefits, and other terms and conditions of employment.

(h) Nothing in this section shall be construed to interfere with the state payroll system and other provisions of Section 12302.4 for individual providers of in-home supportive services, or to affect the state's responsibility with respect to unemployment insurance, or workers' compensation for providers of in-home supportive services.

(i) To the extent permitted by federal law, personal care option funds, obtained pursuant to Title XIX of the Social Security Act (Title 42 U.S.C., Section 1396 et seq.), along with matching funds using the state and county sharing ratio established in subdivision (c) of Section 12306, or any other funds that are obtained pursuant to Title XIX, may be used to establish and operate an entity authorized by this section.

(j) Notwithstanding Section 12302.7, in exercising its option purusant to this section, a county shall not be subject to competitive bidding requirements.

(k) (A) The department may adopt regulations implementing this section as emergency regulations in accordance with Chapter 3.5 (commending with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedures Act, the adoption of the regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division

3 of Title 2 of the Government Code, these emergency regulations shall not be subject to the review and approval of the Office of Administrative Law.

(B) Notwithstanding subdivision (h) of Section 11364.1 and Section 11349.6 of the Government Code, the department shall transmit these regulations directly to the Secretary of State for filing. The regulations shall become effective immediately upon filing by the Secretary of State.

(C) The Office of Administrative Law shall provide for the printing and publication of these regulations in the California Code of Regulations. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these regulations shall not be repealed by the Office of Administrative Law and shall remain in effect until revised or repealed by the department.

SEC. 45. Section 12302.7 is added to the Welfare and Institutions Code, to read:

12302.7. (a) (1) Notwithstanding any other provision of law, any county may issue invitations for bids for managed care contracts to serve nonseverely impaired in-home supportive services recipients who are 65 years of age or older when they initially qualify at a capitated rate. The contracts shall apply to recipients becoming eligible for these services on or after the start date of the contract. Persons who qualified for in-home supportive services prior to hospitalization or long-term care and who return home shall be considered as current recipients for purposes of this section. The cost of these contracts shall not exceed 88 percent of the county's June 1992 average cost per nonseverely impaired case for persons who are 65 years of age or older, if those cost figures cannot be made available, by the average cost of all nonseverely impaired persons, adjusted to reflect subsequent increases in state or federal minimum wage requirements and any adjustments for wages provided in subsequent budget acts. At the county's option nonseverely impaired recipients who became eligible prior to the start date and who are at least 65 years of age may elect to be served under a contract subject to this subdivision, provided they are informed of the managed care service delivery method and its obligation to deliver all the services identified, but not necessarily the same number of service hours currently identified as needed by the county, are informed that the recipients have the right to choose their home attendant and replace the home attendant if so desired and voluntarily consent to services under this method.

(2) This section does not apply to persons who qualify for in-home supportive services on the basis of disability or blindness and who are under 65 years of age when they initially qualify.

(b) Bidding under this section shall be open to the public agencies or authorities, nonprofit agencies, consortiums, proprietary business entities, or any qualified, in-home supportive services provider.

(c) A county subject to subdivision (a) may award contracts to the

lowest responsible bidder, or to the two lowest responsible bidders, or to the three lowest responsible bidders as provided in this subdivision. If there are two or more responsible bidders with bids for a rate not in excess of 88 percent of the June 1992 average cost per nonseverely impaired case of persons who are 65 years of age or older, if those cost figures cannot be made available, of the June, 1992 average cost of all nonseverely impaired case, for the county, as adjusted in accordance with subdivision (a) the county shall contract with the two lowest but not more than the three lowest bidders. If there is only one such bidder the county shall contract with that bidder, but shall allow nonseverely impaired recipients otherwise required to obtain services from the contract, the option of an individual provider. To assist the nonseverely impaired in-home supportive services recipients subject to this section who have the option of choosing between the managed care and individual provider method, the county shall inform them of the managed care service delivery method and its obligation to deliver all of the services identified but not necessarily with the same number of service hours identified as needed by the county at the time of intake, and that the recipients have the right to choose their home attendant and replace the home attendant if so desired.

(d) (1) Notwithstanding Section 12306, any county that enters into a managed care capitation contract or expands an existing contract for in-home supportive services pursuant to this section and that reduces average monthly IHSS case expenditures under the contract more than 12 percent below the June 1992 average cost per nonseverely impaired case for persons who are 65 years of age or older or, if those cost figures cannot be made available, by the average cost of all nonseverely impaired cases for the county, as adjusted in accordance with subdivision (a), shall be entitled to additional funds from the state, representing a percentage of state savings as determined in this subdivision. For purposes of this subdivision, "state savings" means the amount of the difference between the state share of the June 1992 average cost per nonseverely impaired case of persons 65 years of age or older or, if those cost figures cannot be made available, of the June, 1992 average cost of all nonseverly impaired cases for the county, as adjusted in accordance with subdivision (a), and the state share under Section 12306 of the managed care contract cost per case for all county contract cases, provided that there is no increase in the percentage of persons who qualify for in-home supportive services on the basis of age, moving into out-of-home care over the contract period as compared to the 1991–92 fiscal year, and provided, further, that if there is only a negligible increase in the out-of-home placement, the share of state savings going to the county may be reduced to the extent determined appropriate by the director.

(2) During the first year of the contract operation, the county shall be entitled to 55 percent of the state savings.

(3) Funds to which a county is entitled pursuant to this

subdivision shall be payable to the county on a basis agreed to by the county and the department.

(e) A county that has an existing contract for in-home supportive services that is not a managed care capitation contract may negotiate a managed care capitation contract on a sole source basis with the current contractor to serve new nonseverely impaired recipients who are 65 years of age or older who become eligible after the start date of the contract. This shall not apply to persons who qualify for in-home supportive services prior to hospitalization or long-term care and who return home, and for purposes of this section, those persons shall be considered to be current recipients. The contract shall be negotiated for a term not to exceed two years.

(f) The department shall expedite approval of invitations for bid and contracts to which subdivision (a) and (e) apply.

(g) (1) The director shall specify performance and quality assurance standards to be included in managed care, capitation contracts for in-home supportive services to assure delivery of all required services at the time the services are needed, including weekends and nights, establish proper screening, training, and supervision of persons providing direct services and institute frequent periodic quality control audits and utilization review of all services. These standards shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) Quality control audits and utilization review shall be performed by entities that are independent of the county or the managed care contractor. The reports of the quality control audits and utilization review shall be made available to the public. The cost of those quality control audits and utilization review shall be considered as part of the county administrative costs for the managed contract.

(h) (1) Contracts subject to this section shall, to the greatest extent possible, permit recipients to select their own qualified provider of care and set their own service schedule.

(2) Contractors shall have the capacity to deliver services on weekends and at night.

(i) All contracts subject to this section shall require the contractor to provide a plan for coordinating recruitment with the Greater Avenues for Independence (GAIN) program, provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2, in order to maximize the employment opportunities of GAIN registrants.

(j) The director may waive the enforcement of specific statutory requirements, regulations and standards, except the provisions of this section, in one or more counties, or on a statewide basis, in order to facilitate the implementation and success of contracts subject to this section and to ensure continuity of services to recipients.

(k) Notwithstanding any other provision of law, persons employed under managed care contracts established pursuant to this

section to provide direct services to recipients shall be covered under the workers' compensation insurance program established for IHSS individual providers pursuant to Section 12302.2, except that the state may charge the IHSS contractor for the cost of providing this coverage. Direct service providers of IHSS managed care contracts shall be considered employees of these contractors for all other purposes.

(*l*) For purposes of this section "managed care" shall refer to service delivery programs that utilize a variety of case management, cost- efficiency, utilization review and service coordination procedures, that establish service and fiscal standards in the areas of employee screening, training, supervision, and reporting, and that are based on delivering county-authorized IHSS program services as efficiently as possible under timeframes determined by the managed care provider. County social service departments shall continue to assess client needs and determine the type and frequency of services required. All managed care contracts established under this section shall be subject to the ongoing evaluation, monitoring, review, and audit of the county.

(m) (1) The department shall obtain the approval of the Department of Health Services for any contract entered into pursuant to this section prior to its execution to determine that it is consistent with federal law and to ensure federal financial participation for these services under Title XIX of the federal Social Security Act.

(2) (A) The director shall seek any federal approvals necessary for implementation of this section.

(B) Prior to, or at, the time the director submits any request or requests for federal approval, the director shall submit copies of the request or requests to the County Welfare Directors Association and to the appropriate committees of the Legislature.

(3) This section shall be implemented only if, and to the extent that, the director executes a declaration, that shall be retained by the director, that states that any necessary federal approvals have been obtained.

(n) (1) One year after the effective date of the first contract approved pursuant to this section, the Auditor General shall commission a study to review the performance of all contracts under this section.

(2) The study shall be submitted to the Legislature and the Governor not later than two years after the effective date of the first contract approved pursuant to this section. The study shall give special attention to both of the following:

(A) The health and welfare of the recipients under managed care contracts, including the degree to which all required services have been delivered, out-of-home placement rates, prompt response to recipient complaints, and any other issue the director deems relevant.

(B) The cost implications of managed care contracts, estimating

the potential for ongoing savings, if any.

(3) The report shall make recommendations to the Legislature and the Governor for any changes to this section that would further assure the well being of recipients and the most efficient delivery of required services.

(o) This section shall remain operative only until July 1, 1997, shall remain in effect only until January 1, 1998, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1998, deletes or extends that date.

SEC. 46. Section 13002 of the Welfare and Institutions Code is amended to read:

13002. From the funds described in Section 13001 each county shall receive four allocations. One allocation shall fund the In-Home Support Services program services component pursuant to Article 7 (commencing with Section 12300) of Chapter 3. The second allocation shall be for support of Child Welfare Services as defined in Chapter 5 (commencing with Section 16500 of Part 4). This allocation shall be known as the Child Welfare Services Grant. The third allocation shall be for support of protective services and foster care services for adults, information and referral services, transportation to and from health care facilities, and other services directed at the five national goals specified in Section 13003. This allocation shall be known as the County Services Block Grant. The fourth allocation shall be for in-home supportive services administration. The notice of such action must be provided at least seven days prior to the meeting at which such action is to be taken. Such notice shall be provided in the same manner as the county provides notice for its regularly scheduled meetings. Funds from the Child Welfare Services Grant and the County Services Block Grant and the in-home supportive services administration allocations shall be available only when matched by county funds pursuant to the provisions of Part 1.5 (commencing with Section 10100).

SEC. 47. Section 13004 of the Welfare and Institutions Code is amended to read:

13004. Counties, in expending the County Services Block Grant allocation shall provide (a) protective services and foster care services for adults pursuant to Section 12251, (b) information and referral services, and (c) transportation to and from health care facilities, or the location of other health care providers, when there is an urgent need for health care and transportation which is not otherwise available from other resources. These transportation services shall be maintained at least at the level provided by counties, as part of health-related services as provided for in Section 12251, on September 30, 1981.

SEC. 48. Section 14005.21 is added to the Welfare and Institutions Code, to read:

14005.21. (a) Any medically needy aged, blind, or disabled person who was eligible for benefits for categorically needy persons under this chapter on the basis of eligibility under Chapter 3

(commencing with Section 12000) or Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code, and who, but for the addition of Section 12200.015, would be eligible to receive benefits under this chapter, shall remain eligible to receive benefits under this chapter as long as he or she meets other applicable requirements.

(b) The department shall implement this section regardless of the availability of federal financial participation for the otherwise applicable share of cost.

SEC. 49. Section 14006.7 is added to the Welfare and Institutions Code, to read:

14006.7. The department shall impose a lien upon the equity interest in the home or other property of an institutionalized beneficiary in order to secure the assets of the beneficiary for future recovery, provided all of the following conditions are met:

(a) The beneficiary has been admitted to a nursing facility as a Medi-Cal patient.

(b) None of the following individuals are lawfully residing in the beneficiary's home:

(1) The beneficiary's spouse.

(2) The beneficiary's child who is under age 21 or blind or permanently and totally disabled.

(3) The beneficiary's sibling, if he or she has an equity interest in the home and if the sibling is residing in the individual's home and has resided in the individual's home for at least one year before the beneficiary was admitted to the nursing facility.

(4) Any individual who was continuously residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the nursing facility, and who establishes to the satisfaction of the department that he or she provided care to that individual that permitted the individual to reside in his or her home rather than in an institution.

(c) The department determines that the beneficiary cannot reasonably be expected to return home. There shall be a rebuttable presumption that the beneficiary cannot reasonably be expected to return home if any of the following conditions are met:

(1) The beneficiary or a responsible person declares there is no intent to return home.

(2) The beneficiary has been continuously authorized to receive institutional care or has been institutionalized for six months or longer with no discharge plan.

(d) (1) The beneficiary has been given 30 days' notice of the department's intent to impose a lien and has an opportunity for hearing under the state hearing procedures. The notice shall explain the proposed lien and its effect upon the beneficiary's ownership interest.

(2) The lien shall be recorded in the office of the county recorder in which the real property is located and shall contain the name of the record owner of the real property and a legal description of the

property. When recorded, the lien shall have the force, effect, and priority of a judgment lien.

(3) If and when a beneficiary returns home, the lien shall dissolve.

SEC. 50. Section 14009.5 of the Welfare and Institutions Code is amended to read:

14009.5. (a) Notwithstanding any other provision of this chapter, the department shall claim against the estate of the decedent, or against any recipient of the property of that decedent by distribution or survival an amount equal to the payments for the health care services received or the value of the property received by any recipient from the decedent by distribution or survival, whichever is less.

(b) The department may not claim in any of the following circumstances:

(1) The decedent was under 65 when services were received, except in the case of an individual who had been an inpatient in a nursing facility.

(2) Where there is any of the following:

(A) A surviving spouse during his or her lifetime. However, upon the death of a surviving spouse, the department shall make a claim against the estate of the surviving spouse for either the amount paid for the medical assistance given to the decedent or the value of any of the decedent's property received by the surviving spouse through distribution, whichever is less. Any statute of limitations that purports to limit the ability to recover for medical assistance granted under this chapter shall not apply to any claim made for reimbursement.

(B) A surviving child who is under age 21.

(C) A surviving child who is blind or permanently and totally disabled, within the meaning of Section 1614 of the federal Social Security Act (42 U.S.C.A. Sec. 1382c).

(3) Any exemption described in paragraph (2) that restricts the department from filing a claim against a decedent's property shall apply only to the proportionate share of the decedent's estate or property that passes to those recipients, by survival or distribution, who do not qualify for an exemption under paragraph (2).

(c) The department shall place a lien against the decedent's interest in the real property of a surviving spouse in the amount of the department's entitlement pursuant to paragraph (2) of subdivision (b). The lien shall become due and payable upon the death of the surviving spouse or upon the sale, transfer, or exchange of the real property.

(d) (1) The department shall waive its claim, in whole or in part, if it determines that enforcement of the claim would result in substantial hardship to other dependents, heirs, or survivors of the individual against whose estate the claim exists.

(2) The department shall notify individuals of the waiver provision and the opportunity for a hearing to establish that a waiver should be granted.

(3) Waivers shall be granted consistent with emergency regulations, which the department shall adopt pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, to implement this section. The adoption of regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, or safety. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the department in order to implement this section shall not be subject to the review and approval of the Office of Administrative Law. The department shall adopt and file these regulations with the Secretary of State not later than March 1, 1990. These regulations shall become effective immediately upon filing with the Secretary of State.

The regulations shall, at a minimum, consider all of the following:

(A) The income, resources, and liabilities of any dependent, heir, or survivor.

(B) The length of time the dependent, heir, or survivor lived with the decedent and the level and type of care provided by the dependent, heir, or survivor which delayed or prevented institutional placement of the eligible person.

(C) The dependent's, heir's or survivor's employability.

(e) The department shall comply with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code within the 120-day period during which the emergency regulations adopted by the department pursuant to subdivision (c) are in effect.

(f) The following definitions shall govern the construction of this section :

(1) "Decedent" means a beneficiary who has received health care under this chapter or Chapter 8 (commencing with Section 14200) and who has died leaving property to others either through distribution or survival.

(2) "Dependents" includes, but is not limited to, immediate family or blood relatives of the decedent.

SEC. 51. Section 14086 of the Welfare and Institutions Code is amended to read:

14086. (a) The provisions of this article relating to contracts with hospitals, to be negotiated or let out to bid by the negotiator, shall apply only to hospitals and shall not apply to hospital inpatient services rendered by health maintenance organizations and other organized health systems, contracting with the department under this chapter or Chapter 8 (commencing with Section 14200).

(b) The provisions of this article shall also not apply to state hospitals or out-of-state hospitals. These hospitals shall continue to be eligible for reimbursement in accordance with the state plan adopted by the department under Section 14105.1.

SEC. 52. Section 14105.3 of the Welfare and Institutions Code is amended to read:

14105.3. (a) The department is considered to be the purchaser, but not the dispenser or distributor, of prescribed drugs under the Medi-Cal program for the purpose of enabling the department to obtain from manufacturers of prescribed drugs the most favorable price for such drugs furnished by one or more manufacturers, based upon the large quantity of such drugs purchased under the Medi-Cal program, and to enable the department, notwithstanding any other provision of California law, to obtain from such manufacturers discounts, rebates, or refunds based on such quantities purchased under said program, insofar as may be permissible under federal law. Nothing in this section shall interfere with usual and customary distribution practices in the drug industry.

(b) The department may enter into exclusive or nonexclusive contracts on a bid or negotiated basis with manufacturers, distributors, dispensers, or suppliers of appliances, durable medical equipment, medical supplies, and other product-type health care services and with laboratories for clinical laboratory services for the purpose of obtaining the most favorable prices to the state and to assure adequate quality of the product or service. This subdivision shall not apply to pharmacies licensed pursuant to Section 4080 of the Business and Professions Code.

(c) The department shall begin negotiation for contracts with manufacturers of durable medical equipment and for contracts with clinical laboratories for the provision of clinical laboratory services not later than August 31, 1993. The department shall not enter into a contract with a clinical laboratory unless the clinical laboratory is licensed pursuant to California state law or certified under Section 263a of Title 42 of the United States Code.

(d) The department shall contract with manufacturers of single-source drugs on a negotiated basis, and with manufacturers of multisource drugs on a bid or negotiated basis.

(e) In order to achieve maximum cost savings the Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Therefore contracts under this section shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. Contracts shall have no force and effect unless approved by the Department of Finance.

(f) The department may contract with less than all manufacturers or clinical laboratories including only one manufacturer or clinical laboratory, on a bid or nonbid basis.

SEC. 53. Section 14105.98 of the Welfare and Institutions Code is amended to read:

14105.98. (a) The following definitions shall apply for purposes of this section:

(1) "Disproportionate share list" means an annual list of disproportionate share hospitals that provide acute inpatient services issued by the department for purposes of this section.

(2) "Fund" means the Medi-Cal Inpatient Payment Adjustment

Fund, created pursuant to Section 14163.

(3) "Eligible hospital" means a hospital included on a disproportionate share list, which is eligible to receive payment adjustments under this section during a particular state fiscal year.

(4) "Hospital" means a health facility that is licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code to provide acute inpatient hospital services, and includes all components of the facility.

(5) "Payment adjustment" or "payment adjustment amount" means an amount paid under this section for acute inpatient hospital services provided by a disproportionate share hospital.

(6) "Payment adjustment year" means the particular state fiscal year with respect to which payments are to be made to eligible hospitals under this section.

(7) "Payment adjustment program" means the system of Medi-Cal payment adjustments for acute inpatient hospital services established by this section.

(8) "Annualized Medi-Cal inpatient paid days" means the total number of Medi-Cal acute inpatient hospital days, regardless of dates of service, for which payment was made by or on behalf of the department to a hospital, under present or previous ownership, during the most recent calendar year ending prior to the beginning of a particular payment adjustment year, including all Medi-Cal acute inpatient covered days of care for hospitals which are paid on a different basis than per diem payments.

(9) "Low-income utilization rate" means a percentage rate determined by the department in accordance with the requirements of Section 1396r-4(b)(3) of Title 42 of the United States Code, and included on a disproportionate share list.

(10) "Low-income number" means a hospital's low-income utilization rate rounded down to the nearest whole number, and included on a disproportionate share list.

(11) "1991 Peer Grouping Report" means the final report issued by the department dated May 1991, entitled "Hospital Peer Grouping."

(12) "Major teaching hospital" means a hospital that meets the definition of a university teaching hospital, major nonuniversity teaching hospital, or large teaching emphasis hospital as set forth on page 51 of the 1991 Peer Grouping Report.

(13) "Children's hospital" means a hospital that meets the definition of a children's hospital-state defined, as set forth on page 53 of the 1991 Peer Grouping Report, or which is listed in subdivision (a), or subdivisions (c) to (g), inclusive, of Section 16996.

(14) "Acute psychiatric hospital" means a hospital that meets the definition of an acute psychiatric hospital, a combination psychiatric/alcohol-drug rehabilitation hospital, or a psychiatric health facility, to the extent the facility is licensed to provide acute inpatient hospital service, as set forth on page 52 of the 1991 Peer Grouping Report.

(15) "Alcohol-drug rehabilitation hospital" means a hospital that meets the definition of an alcohol-drug rehabilitation hospital as set forth on page 52 of the 1991 Peer Grouping Report.

(16) "Emergency services hospital" means a hospital that is a licensed provider of basic emergency services as described in Sections 70411 to 70419, inclusive, of Title 22 of the California Code of Regulations, or that is a licensed provider of comprehensive emergency medical services as described in Sections 70451 to 70459, inclusive, of Title 22 of the California Code of Regulations.

(17) "Medi-Cal day of acute inpatient hospital service" means any acute inpatient day of service attributable to patients who, for those days, were eligible for medical assistance under the California state plan, including any day of service that is reimbursed on a basis other than per diem payments.

(b) For each fiscal year commencing with 1991–92, there shall be Medi-Cal payment adjustment amounts paid to hospitals pursuant to this section. The amount of payments made and the eligible hospitals for each payment adjustment year shall be determined in accordance with the provisions of this section. The payments are intended to support health care services rendered by disproportionate share hospitals.

(c) For each fiscal year commencing with 1991–92, the department shall issue a disproportionate share list. The list shall be developed in accordance with subdivisions (e) and (f), and shall serve as a basis for payments under this section for the particular payment adjustment year. In developing the list, the department may, to the extent practicable, utilize applicable data which is consistent with analysis compiled or developed by the California Medical Assistance Commission.

(d) (1) Except as otherwise provided by this section, the payment adjustment amounts under this section shall be distributed as a supplement to, and concurrent with, payments on all billings for Medi-Cal acute inpatient hospital services that are paid through Medi-Cal claims payment systems on or after July 1, 1991. In connection with those billings, the department shall pay payment adjustment amounts in accordance with subdivision (g), (h), (i), or (j), as applicable, to any hospital qualifying under subdivision (e). The nonfederal share of all payment adjustment amounts shall be funded by amounts from the fund. The department shall obtain federal matching funds for the payment adjustment program through customary Medi-Cal accounting procedures.

(2) As a limitation to paragraph (1), all payment adjustment amounts under this section, which are due with respect to billings paid through Medi-Cal claims payment systems on or after July 1, 1991, shall be suspended until the time federal approval is obtained for the payment adjustment program as part of the Medi-Cal program. For purposes of this section, federal approval requires both (i) approval by appropriate federal agencies of an amendment to the Medi-Cal State Plan, as referred to in subdivision (o), and (ii)

confirmation by appropriate federal agencies regarding the availability of federal financial participation for the payment adjustment program at a level of at least 40 percent of the percentage of federal financial participation that is normally applicable for Medi-Cal expenditures for acute inpatient hospital services. At the time federal approval is obtained, the department shall proceed pursuant to subparagraphs (A) and (B) in connection with the suspended payment adjustment amounts.

(A) Except as provided by subdivision (*l*), or by any other subdivision of this section, any payment adjustment amounts which were suspended shall, within 60 days, be paid for all those billings paid through Medi-Cal claims payment systems during periods of time, on or after July 1, 1991, for which federal approval is effective for the payment adjustment program.

(B) Payment adjustment amounts shall not be paid in connection with any Medi-Cal billings which were paid through Medi-Cal claims payment systems during any period of time for which federal approval is not effective for the payment adjustment program.

(e) To qualify for payment adjustment amounts under this section, a hospital shall have been included on the disproportionate share list for the particular payment adjustment year. The list shall consist of those hospitals which satisfy both of the following requirements:

(1) The hospital shall meet the federal requirements for disproportionate share status set forth in subsection (d) of Section 1396r-4 of Title 42 of the United States Code.

(2) Either of the following shall apply:

(A) The hospital's medicaid inpatient utilization rate, as defined in Section 1396r-4(b)(2) of Title 42 of the United States Code, shall be at least one standard deviation above the mean medicaid inpatient utilization rate for hospitals receiving medicaid payments in the state.

(B) The hospital's low-income utilization rate shall exceed 25 percent.

(f) (1) For the 1991–92 payment adjustment year, a disproportionate share list shall be issued by the department no later than 65 days after the enactment of this section. For subsequent payment adjustment years, a tentative listing shall be prepared by the department at least 60 days before the beginning of the particular payment adjustment year, and a disproportionate share list shall be issued no later than five days after the beginning of the particular payment adjustment year. All state agencies shall take all necessary steps to supply the most recent data available to the department to meet these deadlines. The Office of Statewide Health Planning and Development shall provide to the department, no later than March 1 of each year, the data specified by the department, as the data existed on the statewide data base file as of February 1 of each year (except that for the 1991–92 payment adjustment year, the Office of Statewide Health Planning and Development shall provide

data as it existed on the statewide data base file as of August 30, 1991), from all of the following:

(A) Hospital annual disclosure reports, filed with the Office of Statewide Health Planning and Development pursuant to Section 443.31 of the Health and Safety Code, for hospital fiscal years which ended during the calendar year ending 13 months prior to the applicable February 1.

(B) Annual reports of hospitals, filed with the Office of Statewide Health Planning and Development pursuant to Section 439.2 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(C) Hospital patient discharge data reports, filed with the Office of Statewide Health Planning and Development pursuant to subdivision (g) of Section 443.31 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(D) Any other materials on file with the Office of Statewide Health Planning and Development.

(2) The disproportionate share list shall show all of the following:

(A) The name of the hospital.

(B) Based on the most recent annual data available, as it existed on the Office of Statewide Health Planning and Development statewide data base file as of February 1 of each year, and August 30 for the 1991–92 transfer year, and expressed as a percentage, the hospital's Medi-Cal utilization rate and low-income utilization rate as referred to in paragraph (2) of subdivision (e). The department shall determine these rates in accordance with paragraph (4).

(C) Based on the hospital's low-income utilization rate, the hospital's low-income number.

(3) The department shall determine a hospital's satisfaction of paragraph (1) of subdivision (e) based on the most recent annual data available, as it existed on the Office of Statewide Planning and Development statewide data base file as of February 1 of each year, and August 30 for the 1991–92 transfer year, whether the data relates to operations under present or previous ownership.

(4) To determine a hospital's Medi-Cal inpatient utilization rate and low-income utilization rate for purposes of disproportionate share lists, the department shall utilize the same methodology, formulae, and data sources as set forth in connection with interim determinations in Attachment 4.19-A of the Medi-Cal State Plan (effective on or about July 1, 1990), except that the following shall apply:

(A) The calculations shall not be interim, but shall be final for purposes of this section.

(B) To the extent permitted by federal law, the payment adjustment amounts provided to hospitals pursuant to this section shall not be included for any purpose in the calculations and determinations made pursuant to this section.

(C) Any other variation otherwise required by this section or by

federal law.

(D) The data utilized by the department shall relate to the hospital under present and previous ownership. When there has been a change of ownership, a change in the location of the main hospital facility, or a material change in patient admission patterns during the twenty-four months immediately prior to the payment adjustment year, and the change has resulted in a diminution of access for Medi-Cal inpatients at the hospital, all as determined by the department, the department shall, to the extent permitted by federal law, utilize current data that are reflective of the diminution of access, even if the data are not annual data.

(5) For purposes of payment adjustment amounts under this section, each disproportionate share list shall be considered complete when issued by the department pursuant to paragraph (1). Nothing on a disproportionate share list, once issued by the department, shall be modified for any reason, other than mathematical or typographical errors or omissions on the part of the department or the Office of Statewide Health Planning and Development in preparation of the list.

(g) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is a major teaching hospital, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of three hundred dollars ($300).

(2) The sum of the following amounts, minus three hundred dollars ($300):

(A) A ninety dollar ($90) payment adjustment for each percentage point, from 25 percent to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A seventy dollar ($70) payment adjustment for each percentage point, from 30 percent to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A fifty dollar ($50) payment adjustment for each percentage point, from 35 percent to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A thirty dollar ($30) payment adjustment for each percentage point, from 45 percent to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A ten dollar ($10) payment adjustment for each percentage point, from 65 percent to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(3) If the sum calculated under paragraph (2) is less than zero, it

shall be disregarded for payment purposes.

(h) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is a children's hospital, the hospital shall be paid the sum of four hundred fifty dollars ($450), except as limited by other applicable provisions of this section.

(i) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is an acute psychiatric hospital or an alcohol-drug rehabilitation hospital, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of fifty dollars ($50).

(2) The sum of the following amounts, minus fifty dollars ($50):

(A) A ten dollar ($10) payment adjustment for each percentage point, from 25 to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A seven dollar ($7) payment adjustment for each percentage point, from 30 to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A five dollar ($5) payment adjustment for each percentage point, from 35 to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A two dollar ($2) payment adjustment for each percentage point, from 45 to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A one dollar ($1) payment adjustment for each percentage point, from 65 to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(3) If the sum calculated under paragraph (2) is less than zero, it shall be disregarded for payment purposes.

(j) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital does not meet the criteria for receiving payments under subdivision (g), (h), or (i) above, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of one hundred dollars ($100).

(2) If the hospital is an emergency services hospital at the time the payment adjustment is paid, a two hundred dollar ($200) payment adjustment.

(3) The sum of the following amounts minus one hundred dollars

($100), and minus an additional two hundred dollars ($200) if the hospital is an emergency services hospital at the time the payment adjustment is paid:

(A) A forty dollar ($40) payment adjustment for each percentage point, from 25 percent to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A thirty-five dollar ($35) payment adjustment for each percentage point, from 30 percent to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A thirty dollar ($30) payment adjustment for each percentage point, from 35 percent to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A twenty dollar ($20) payment adjustment for each percentage point, from 45 percent to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A fifteen dollar ($15) payment adjustment for each percentage point, from 65 percent to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(4) If the sum calculated under paragraph (3) is less than zero, it shall be disregarded for payment purposes.

(k) (1) For any particular payment adjustment year, no hospital may qualify for payments under more than one subdivision among subdivisions (g), (h), (i), and (j). If any hospital qualifies under more than one subdivision, the department shall determine which subdivision shall apply for payments.

(2) For each payment adjustment year beginning with 1992–93, the total applicable per diem payment adjustment amount calculated for each eligible hospital pursuant to subdivision (g), (h), (i), or (j) shall be adjusted by a percentage identical to the percentage increase in transfer amounts that the department has authorized for use pursuant to paragraph (1) of subdivision (h) of Section 14163 for the particular fiscal year.

(3) If an eligible hospital ordinarily is paid by or on behalf of the department for Medi-Cal acute inpatient hospital services based on a payment methodology other than per diem payments, the eligible hospital shall receive payment adjustment amounts under this section based on its approved Medi-Cal days of acute inpatient hospital care, in the same fashion as all other eligible hospitals under this section.

(*l*) (1) (A) In determining Medi-Cal days of service for purposes of payment adjustments under this section, the department shall recognize all acute inpatient hospital days of service required to be taken into account under federal law.

(B) For the 1992–93 payment year, the department may consider the Medi-Cal days of service provided by the qualifying hospitals for

Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in achieving their maximum payments.

(C) For 1993–94 and subsequent payment years, the department may consider the Medi-Cal days of service provided by hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in determining the Medi-Cal utilization rate and the maximum days of payment. Additionally, the department may consider the days of service provided by the qualifying hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in achieving their maximum payments in those payment years.

(2) Notwithstanding paragraph (1), there shall be, for each eligible hospital, a maximum limit on the number of Medi-Cal acute inpatient hospital days for which payment adjustment amounts may be paid under this section with respect to each payment adjustment year. The maximum limit shall be that number of days that equals 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days, as determined from all Medi-Cal paid claims records available through April 1 preceding the beginning of the payment adjustment year.

(m) No payment rate for any service rendered by any hospital under the Medi-Cal selective provider contracting program shall be reduced as a result of this section.

(n) Notwithstanding any other provision of law, to the extent consistent with Section 1396a(h) of Title 42 of the United States Code, and except as provided by this section, no maximum payment limit shall be placed on the amount of Medi-Cal payment adjustments which may be made to disproportionate share hospitals. The payments made to disproportionate share hospitals pursuant to this section and Section 14105.99 shall not cause any other amounts paid or payable to a hospital to be deemed in excess of any applicable maximum payment limit.

(o) The department shall promptly seek any necessary federal approvals in order to implement this section. Pursuant to Section 1396r-4 of Title 42 of the United States Code, and related federal medicaid statutes and regulations, payment adjustment systems for inpatient hospital services rendered by disproportionate share hospitals shall be included in a state's medicaid plan. Therefore, the department shall, prior to the end of the calendar quarter during which this section is enacted, submit for federal approval an amendment to the Medi-Cal State Plan in connection with the payment adjustment program.

(p) If, for any payment adjustment year, the amounts in the fund, when matched by federal funds pursuant to customary Medi-Cal accounting procedures, are insufficient to pay some or all of the payment adjustment amounts otherwise due under this section, payment adjustment amounts shall be reduced in accordance with the following paragraphs to resolve the insufficiency.

(1) All payment adjustment amounts for the entire payment adjustment year shall be reduced proportionately not to exceed 2 percent of the total payment adjustment amounts which otherwise would have been paid for the entire payment adjustment year.

(2) If the payment reductions authorized by paragraph (1) do not resolve the insufficiency for the payment adjustment year, then, to the extent permitted by federal law, the following shall apply:

(A) The payment adjustment amounts, as reduced by paragraph 1, shall remain in effect for each eligible hospital whose low-income number is 30 percent or more.

(B) The payment adjustment amounts, as reduced by paragraph (1), for all other eligible hospitals shall be further reduced proportionately to resolve the insufficiency, but in no event to a level which would result in total payments to the eligible hospital in an amount less than 65 percent of the total payment adjustment amounts which would have been payable to the eligible hospital for the entire payment adjustment year had no reductions taken place.

(3) If the steps set forth in paragraph (2) are not permissible under federal law, or are not adequate to resolve the insufficiency, the payments to all eligible hospitals for the entire payment adjustment year shall be further reduced proportionately to resolve the insufficiency, but in no event to a level which would result in total payments to the eligible hospital in an amount less than 65 percent of the total payment adjustment amounts which would have been payable to the eligible hospital for the entire payment adjustment year had no reductions taken place.

(4) At such time as all eligible hospitals have been reduced to the 65 percent payment level set forth in paragraphs (2) and (3), the payments to all eligible hospitals for the payment adjustment year shall be further reduced proportionately to resolve any remaining insufficiency.

(q) (1) If it is necessary to apply the provisions of paragraph (3) of subdivision (p) at any time, the department shall, as soon as practicable, evaluate why the insufficiency arose and identify the projected occurrence and duration of any future insufficiencies.

(2) If the department determines as a result of the evaluations under paragraph (1) that (A) implementation of paragraph (3) of subdivision (p) will likely be necessary to resolve additional insufficiencies for the current payment adjustment year or the next payment adjustment year; and (B) that the level of federal financial participation realized by the payment adjustment program, for the current payment adjustment year as a whole, will be less than 30 percent of the percentage of federal financial participation that normally is applicable for Medi-Cal expenditures for acute inpatient hospital services, and that the level of federal financial participation for the payment adjustment program is expected to continue to remain below that 30 percent level for the next payment adjustment year as a whole, the department shall, as soon as practicable, implement paragraphs (3) and (4).

(3) If the department determines that the circumstances described in paragraph (2) are present, the payment adjustment program shall be terminated, effective as of the earliest date permissible under federal law. In that event, all installment payments to the fund which are already due pursuant to Section 14163 at the time of the department's determination shall remain due, and shall be collected by the Controller. However, installment payments which are not yet due at that time shall not become due.

(4) Within 90 days after the termination of the payment adjustment program, as referred to in paragraph (3), or as soon as practicable, the department shall determine whether any amounts remain in the fund which are not needed to pay prior payment adjustment amounts under this section. If remaining amounts exist in the fund, they shall be refunded to transferor entities on a pro rata basis, within 45 days after the date of the department's determination.

(r) The state shall be held harmless from any federal disallowance resulting from payments made under this section, and from payments made to hospitals based on transfers accepted by the department under Section 14164. Any hospital that has received payments under this section, or based on transfers accepted by the department under Section 14164 shall be liable for any audit exception or federal disallowance only with respect to the payments made to that hospital. The department shall recoup from a hospital the amount of any audit exception or federal disallowance in the manner authorized by applicable laws and regulations.

(s) (1) The department may utilize existing administrative appeal procedures for purposes of any appealable matter that arises under the payment adjustment program. The matters that may be appealed shall be limited to those related to the following:

(A) Paragraph (5) of subdivision (f).

(B) State audit disallowances of amounts paid to hospitals under the payment adjustment program.

(2) Calculations which are final pursuant to paragraph (4) or (5) of subdivision (f) or the procedures or data on which those calculations are based, shall not be appealed.

SEC. 54. 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) Nursing facility services, subacute care services, and services provided by any category of intermediate care facility for the developmentally disabled, including 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 nursing facilities and any category of intermediate care facility for the developmentally disabled are covered subject to utilization controls.

(d) Purchase of prescribed drugs is covered subject to the Medi-Cal List of Contract Drugs 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 a nursing facility or any category of intermediate care facility for the developmentally disabled.

(g) Blood and blood derivatives are covered.

(h) (1) 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 California Children Services Program.

(2) For persons 21 years of age or older, the services specified in paragraph (1) shall be provided subject to the following conditions:

(A) Periodontal treatment is not a benefit.

(B) Endodontic therapy is not a benefit except for vital pulpotomy.

(C) Laboratory processed crowns are not a benefit.

(D) Removable prosthetics shall be a benefit only for patients as a requirement for employment.

(E) The director may, by regulation, provide for the provision of fixed artificial dentures that are necessary for medical conditions that preclude the use of removable dental prostheses.

(F) Notwithstanding the conditions specified in subparagraphs (A) to (E), inclusive, the department may approve services for persons with special medical disorders subject to utilization review.

(3) Paragraph (2) shall become inoperative July 1, 1995.

(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) Family planning services are covered, subject to utilization controls.

(o) Inpatient intensive rehabilitation hospital services, including respiratory rehabilitation services, in a general acute care hospital are covered, subject to utilization controls, when either of 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.

(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.

(p) Adult day health care is covered in accordance with Chapter 8.7 (commencing with Section 14520).

(q) 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.

(r) (1) 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.

(2) All providers enrolled under this subdivision shall satisfy all applicable statutory and regulatory requirements for becoming a Medi-Cal provider.

(3) This subdivision shall be implemented only to the extent funding is available under Section 14106.6.

(s) 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 those persons. These services may be provided to patients placed 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.

(t) 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 those services under waivers granted in accordance with Section 1396n of Title 42 of the United States Code. The director may seek waivers for any or all home- and community-based services approvable under Section 1396n of Title 42 of the United States Code. Coverage for those 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.

(u) 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 Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are available.

(v) Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(w) 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.

(x) 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.

(y) Home- and community-based services approved by the United States Department of Health and Human Services for beneficiaries with a diagnosis of AIDS or ARC, who require intermediate care or a higher level of care.

Services provided pursuant to a waiver obtained from the Secretary of the United States Department of Health and Human Services pursuant to this subdivision, and 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 the waiver, and subject to the terms, conditions, and duration of the waiver. These services shall be provided to individual beneficiaries in accordance with the client's needs as identified in the plan of care, and subject to medical necessity and applicable utilization control.

The director may under this section contract with organizations qualified to provide, directly or by subcontract, services provided for in this subdivision to eligible beneficiaries. Contracts or agreements entered into pursuant to this division shall not be subject to the Public Contract Code.

(z) 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 service as outlined in subdivision (s).

SEC. 55. Section 14132.95 of the Welfare and Institutions Code is amended to read:

14132.95. (a) Personal care services, when provided to a categorically needy person as defined in Section 14050.1, is a covered benefit to the extent federal financial participation is available if

these services are:

(1) Provided in the beneficiary's home and other locations as may be authorized by the director subject to federal approval.

(2) Prescribed in accordance with a plan of treatment.

(3) Provided by a qualified person under the supervision of a registered nurse.

(4) Provided to a beneficiary who has a chronic, disabling condition that causes functional impairment that is expected to last at least 12 consecutive months or that is expected to result in death within 12 months and who is unable to remain safely at home without the services described in this section.

(b) The department shall seek federal approval of a state plan amendment necessary to include personal care as a medicaid service pursuant to subdivision (f) of Section 440.170 of Title 42 of the Code of Federal Regulations.

(c) Subdivision (a) shall not be implemented unless the department has obtained federal approval of the state plan amendment described in subdivision (b), and the Department of Finance has determined, and has informed the department in writing, that the implementation of this section will not result in additional costs to the state relative to state appropriation for in-home supportive services under Article 7 (commencing with Section 12300) of Chapter 3, in the 1992–93 fiscal year.

(d) (1) For purposes of this section, personal care services shall mean all of the following:

(A) Assistance with ambulation.

(B) Bathing, oral hygiene and grooming.

(C) Dressing.

(D) Care and assistance with prosthetic devices.

(E) Bowel, bladder, and menstrual care.

(F) Skin care.

(G) Repositioning, range of motion exercises, and transfers.

(H) Feeding and assurance of adequate fluid intake.

(I) Respiration.

(J) Paramedical services.

(K) Assistance with self-administration of medications.

(2) Ancillary services including meal preparation and cleanup, routine laundry, shopping for food and other necessities, and domestic services may also be provided as long as these ancillary services are subordinate to personal care services. Ancillary services may not be provided separately from the basic personal care services.

(e) (1) (A) After consulting with the State Department of Social Services, the department shall adopt emergency regulations to establish the amount, scope, and duration of personal care services available to persons described in subdivision (a) in the fiscal year whenever the department determines that General Fund expenditures for personal care services provided under this section and expenditures of both General Fund moneys and federal funds

received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3, are expected to exceed the General Fund appropriation and the federal appropriation under Title XX of the federal Social Security Act provided for the 1992–93 fiscal year pursuant to Article 7 (commencing with Section 12300) of Chapter 3, as it read on June 30, 1992, as adjusted for caseload growth or as increased in the Budget Act or appropriated by statute. At least 30 days prior to filing these regulations with the Secretary of State, the department shall give notice of the expected content of these regulations to the fiscal committees of both houses of the Legislature.

(B) In establishing the amount, scope, and duration of personal care services, the department shall ensure that General Fund expenditures for personal care services provided for under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3, do not exceed the General Fund appropriation and the federal appropriation under Title XX of the federal Social Security Act provided for the 1992–93 fiscal year pursuant to Article 7 (commencing with Section 12300) of Chapter 3, as it read on June 30, 1992, as adjusted for caseload growth or as increased in the Budget Act or appropriated by statute.

(C) For purposes of this subdivision, "caseload growth" means an adjustment factor determined by the department based on (1) growth in the number of persons eligible for benefits under Chapter 3 (commencing with Section 12000) on the basis of their disability, (2) the average increase in the number of hours in the program established pursuant to Article 7 (commencing with Section 12300) of Chapter 3 in the 1988–89 to 1992–93 fiscal years, inclusive, due to the level of impairment, and (3) any increase in program costs that is required by an increase in the mandatory minimum wage.

(2) In establishing the amount, scope, and duration of personal care services pursuant to this subdivision, the department may define and take into account, among other things:

(A) The extent to which the particular personal care services are essential or nonessential.

(B) Standards establishing the medical necessity of the services to be provided.

(C) Utilization controls.

(D) A minimum number of hours of personal care services that must first be assessed as needed as a condition of receiving personal care services pursuant to this section.

The level of personal care services shall be established so as to avoid, to the extent feasible within budgetary constraints, medical out-of-home placements.

(3) To the extent that General Fund expenditures for services provided under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal

Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 in the 1992–93 fiscal year, adjusted for caseload growth, exceed General Fund expenditures for services provided under this section and expenditures of both General Fund moneys and federal funds received under Title XX of the federal Social Security Act for services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 in any fiscal year, the excess of these funds shall be expended for any purpose as directed in the Budget Act or as otherwise statutorily disbursed by the Legislature.

(f) Services pursuant to this section shall be rendered, under the administrative direction of the State Department of Social Services, in the manner authorized in Article 7 (commencing with Section 12300) of Chapter 3, for the In-Home Supportive Services program. A provider of personal care services shall be qualified to provide the service and shall be a person other than a member of the family. For purposes of this section, a family member means a parent of a minor child or a spouse.

(g) A beneficiary who is eligible for assistance under this section shall receive services that do not exceed 283 hours per month of personal care services.

(h) Personal care services shall not be provided to residents of facilities licensed by the department, and shall not be provided to residents of a community care facility or a residential care facility for the elderly licensed by the Community Care Licensing Division of the State Department of Social Services.

(i) Subject to any limitations that may be imposed pursuant to subdivision (e), determination of need and authorization for services shall be performed in accordance with Article 7 (commencing with Section 12300) of Chapter 3.

(j) (1) To the extent permitted by federal law, reimbursement rates for personal care services shall be equal to the rates in each county for the same mode of services in the In-Home Supportive Services program pursuant to Article 7 (commencing with Section 12300) of Chapter 3, plus any increase provided in the annual Budget Act for personal care services rates or included in a county budget pursuant to paragraph (2).

(2) (A) The department shall establish a provider reimbursement rate methodology to determine payment rates for the individual provider mode of service that does all of the following:

(i) Is consistent with the functions and duties of entities created pursuant to Section 12301.6.

(ii) Makes any additional expenditure of state general funds subject to appropriation in the annual Budget Act.

(iii) Permits county-only funds to draw down federal financial participation consistent with federal law.

(B) This ratesetting method shall be in effect in time for any rate increases to be included in the annual Budget Act.

(C) The department may, in establishing the ratesetting method required by subparagraph (A), do both of the following:

(i) Deem the market rate for like work in each county, as determined by the Employment Development Department, to be the cap for increases in payment rates for individual practitioner services.

(ii) Provide for consideration of county input concerning the rate necessary to ensure access to services in that county.

(D) If an increase in individual practitioner rates is included in the annual Budget Act, the state-county sharing ratio shall be as established in Section 12306. If the annual Budget Act does not include an increase in individual practitioner rates, a county may use county-only funds to meet federal financial participation requirements consistent with federal law.

(3) (A) By November 1, 1993, the department shall submit a state plan amendment to the federal Health Care Financing Administration to implement this subdivision. To the extent that any element or requirement of this subdivision is not approved, the department shall submit a request to the federal Health Care Financing Administration for such waivers as would be necessary to implement this subdivision.

(B) The provider reimbursement ratesetting methodology authorized by the amendments to this subdivision in the 1993–94 Regular Session of the Legislature shall not be operative until all necessary federal approvals have been obtained.

(k) (1) The State Department of Social Services shall, by September 1, 1993, notify the following persons that they are eligible to participate in the personal care services program:

(A) Persons eligible for services pursuant to the Pickle Amendment, as adopted October 28, 1976.

(B) Persons eligible for services pursuant to subsection (c) of Section 1383c of Title 42 of the United States Code.

(2) The State Department of Social Services shall, by September 1, 1993, notify persons to whom paragraph (1) applies and who receive advance payment for in-home supportive services that they will qualify for services under this section without a share of cost if they elect to accept payment for services on an arrears rather than an advance payment basis.

(3) Upon request by the board of supervisors, of the funds in the subaccount created pursuant to Section 17600.110, the Controller shall allocate the following amounts for the establishment of an entity specified in Section 12301.6:

(A) Two hundred fifty thousand dollars ($250,000) each to a county of the fourth, sixth, and tenth class.

(B) Two million dollars ($2,000,000) to a county of the first class.

(C) Five hundred fifty thousand dollars ($550,000) shall be allocated to counties, in the order of application by counties for these funds, as follows:

(i) Not more than one hundred thousand dollars ($100,000) may be allocated to a county with a total of fewer than 3,000 recipients of services under this section and Article 7 (commencing with

Section 12300) of Chapter 3.

(ii) Not more than two hundred thousand dollars ($200,000) may be allocated to a county with a total of more than 3,000 recipients of services under this section and Article 7 (commencing with Section 12300) of Chapter 3.

(iii) A county to whom either subparagraph (A) or (B) applies shall not be eligible for funds under this subparagraph.

(*l*) An individual who is eligible for services subject to the maximum amount specified in subdivision (b) of Section 12303.4 shall be given the option of hiring his or her own provider.

(m) 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.

(n) It is the intent of the Legislature that this entire section be an inseparable whole and that no part of it be severable. If any portion of this section is found to be invalid, as determined by a final judgment of a court of competent jurisdiction, this section shall become inoperative.

(o) This section shall become inoperative on July 1, 1996, and, as of January 1, 1997, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1997, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 56. Section 14133.9 of the Welfare and Institutions Code is amended to read:

14133.9. The implementation of prior authorization permitted by subdivision (a) of Section 14133 shall be subject to all of the following provisions:

(a) The department shall secure a toll free phone number for the use of providers of Medi-Cal services listed in Section 14132. For providers, the department shall provide access to an individual knowledgeable in the program to provide Medi-Cal providers with information regarding available services. Access shall include a toll-free phone number that provides reasonable access to that person. The number shall be operated 24 hours a day, seven days a week.

(b) For major categories of treatment subject to prior authorization, the department shall publicize and continue to develop its list of objective medical criteria that indicate when authorization should be granted. Any request meeting these criteria, as determined by the department, shall be approved, or deferred as authorized in subdivision (e) by specific medical information.

(c) The objective medical criteria required by subdivision (d) shall be adopted and published in accordance with the Administrative Procedure Act, and shall be made available at appropriate cost.

(d) When a proposed treatment meets objective medical criteria, and is not contraindicated, authorization for the treatment shall be provided within an average of five working days. When a treatment authorization request is not subject to objective medical criteria, a

decision on medical necessity shall be made by a professional medical employee or contractor of the department within an average of five working days.

(e) Notwithstanding the provisions of subdivisions (c) and (d), the department shall adopt, by emergency regulations as provided by this subdivision, a list of elective services that the director determines may be nonurgent. In determining these services, the department shall be guided by commonly accepted medical practice parameters. Authorization for these services may be deferred for a period of up to 90 days. In making determinations regarding these referrals, the department may use criteria separate from, or in addition to, those specified in subdivision (c). These deferrals shall be determined through the treatment authorization request process. When a proposed service is on the list of elective services that the director determines may be considered nonurgent, authorization for the service shall be granted or deferred within an average of 10 working days. The State Department of Health Services may adopt emergency regulations to implement this subdivision in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The initial adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety or general welfare. Initial emergency regulations and the first readoption of those regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this subdivision shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and shall remain in effect for no more than 120 days.

(f) The department shall submit to the Legislature, every three months, its treatment authorization request status report.

(g) Final decisions of the department on denial of requests for prior authorization for inpatient acute hospital care shall be reviewable upon request of a provider by a Professional Standards Review Organization established pursuant to Public Law 92-603, or a successor organization if either of the following applies:

(1) The original decision on the request was not performed by a Professional Standards Review Organization, or its successor organization.

(2) The original decision on the request was performed by a Professional Standards Review Organization, or its successor organization, and the original decision was reversed by the department. The department shall contract with one or more of these organizations to, among other things, perform the review function required by this subdivision. The review performed by the contracting organization shall result in a finding that the department's decision is either appropriate or unjustified, in accordance with existing law, regulation, and medical criteria. The

cost of each review shall be borne by the party that does not prevail.

The decision of this body shall be reviewable by civil action.

(h) This section, and any amendments made to Section 14103.6 by Assembly Bill 2254 of the 1985–86 Regular Legislative Session, shall not apply to treatment or services provided under contracts awarded by the department under which the contractor agrees to assume the risk of utilization or costs of services.

SEC. 57. Section 14148 of the Welfare and Institutions Code is amended to read:

14148. (a) The department shall adopt the federal option provided under Section 4101 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203) to extend eligibility for medical assistance under Medicaid to all pregnant women and infants with family incomes not in excess of 185 percent of the federal poverty level. If a premium is imposed, the amount of the premium shall not exceed 10 percent of the amount by which the family's income, less actual child care costs, exceeds 150 percent of the federal poverty level as required by Section 4101 (a) of the 1987 Medicaid Budget Reconciliation Agreement. The department shall implement this section by emergency regulation.

The department shall advise the Chairperson of the Assembly Ways and Means Committee, the Senate Budget and Fiscal Review Committee, the Assembly Health Committee, and the Senate Committee on Health and Human Services, on a quarterly basis, regarding the identification and redirection of existing department funds or General Fund money necessary to implement this section. The department shall notify these committees 30 days prior to redirecting those funds to implement this section.

(b) Upon order of the Department of Finance, the State Controller shall transfer funds from Item 4260-101-001 of the Budget Act of 1988 to Item 4260-111-001 of the 1988 Budget Act of 1988 during the 1988-89 fiscal year for the purpose of funding outreach efforts for perinatal services.

(c) Notwithstanding subdivision (a), the state may limit implementation of this section during the 1988–89 fiscal year, based upon the availability of department funds. The department may use maternal and child health funds to finance the increased costs of implementing an expansion of Medi-Cal eligibility to women and children with incomes of up to 185 percent of federal poverty levels if both of the following conditions exist:

(1) The department has allocated for expenditure at least sixteen million dollars ($16,000,000) in funds redirected from the Medi-Cal program for that expansion.

(2) If, and to the extent, the department determines that estimates of costs based on actual data indicate that the funds are needed to cover costs.

(d) This section shall be fully implemented no later than April 1, 1990.

(e) To assist Medi-Cal eligible pregnant women in receiving

prenatal care promptly, all pregnant women applying for Medi-Cal shall be determined to have an immediate need. Counties, within existing resources, shall expedite the eligibility determination process for all pregnant women on the basis of their immediate needs. Upon determination of eligibility, a Medi-Cal card shall be issued immediately.

(f) To the extent federal financial participation is available, the department shall apply the more liberal income deduction described in Section 1396a(r) of Title 42 of the United States Code when determining eligibility for pregnant women and infants under this section. The amount of this deduction shall be the difference between the 185 percent and the 200 percent federal poverty level applicable to the size of the family.

SEC. 58. Section 14148.5 of the Welfare and Institutions Code is amended to read:

14148.5. (a) State funded perinatal services shall be provided under the Medi-Cal program to pregnant women and state funded medical services to infants up to one year of age in families with incomes above 185 percent, but not more than 200 percent of the federal poverty level, in the same manner that these services are being provided to the Medi-Cal population, including eligibility requirements and integration of eligibility determinations and payment of claims, except as follows:

(1) The assets of the family shall not be considered in making the eligibility determination.

(2) The income deduction specified in subdivision (f) of Section 14148 shall not be applied.

(b) Services provided under this section shall not be subject to any share-of-cost requirements.

(c) (1) The department, in implementing the Medi-Cal program and public health programs, in coordination with the Major Risk Medical Insurance Programs Access for Infants and Mothers component shall provide for outreach activities in order to enhance participation and access to perinatal services. Notwithstanding Section 30122 of the Revenue and Taxation Code, funding for these outreach activities shall be made available from the funds appropriated for purposes of this section, and to the extent permissible, from funding received pursuant to Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code. Funding received pursuant to the federal provisions shall be used to expand perinatal outreach activities.

(2) Those outreach activities required by paragraph (1) shall be targeted toward both Medi-Cal and non-Medi-Cal eligible high risk or uninsured pregnant women and infants. Outreach activities may include, but not be limited to, all of the following:

(A) Education of the targeted women on the availability and importance of early prenatal care and referral to Medi-Cal and other programs.

(B) Information provided through toll-free telephone numbers.

(C) Recruitment and retention of perinatal providers.

(d) The amendment made to paragraph (1) of subdivision (c) by Senate Bill 99 of the 1991–92 Regular Session constitutes an amendment to the Tobacco Tax and Health Protection Act of 1988.

(e) This section shall remain operative only until July 1, 1994, and shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

SEC. 59. Section 14163 of the Welfare and Institutions Code is amended to read:

14163. (a) For purposes of this section, the following definitions shall apply:

(1) "Public entity" means a county, a city, a city and county, the University of California, a local hospital district, a local health authority, or any other political subdivision of the state.

(2) "Hospital" means a health facility that is licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code to provide acute inpatient hospital services, and includes all components of the facility.

(3) "Disproportionate share hospital" means a hospital providing acute inpatient services to Medi-Cal beneficiaries that meets the criteria for disproportionate share status relating to acute inpatient services set forth in Section 14105.98.

(4) "Disproportionate share list" means the annual list of disproportionate share hospitals for acute inpatient services issued by the department pursuant to Section 14105.98.

(5) "Fund" means the Medi-Cal Inpatient Payment Adjustment Fund.

(6) "Eligible hospital" means, for a particular state fiscal year, a hospital on the disproportionate share list that is eligible to receive payment adjustment amounts under Section 14105.98 during that state fiscal year.

(7) "Transfer year" means the particular state fiscal year during which public entities are required by this section to make an intergovernmental transfer of funds to the Controller.

(8) "Transferor entity" means a public entity that, for a particular transfer year, is required by this section to make an intergovernmental transfer of funds to the Controller.

(9) "Transfer amount" means the amount of the intergovernmental transfer of funds that this section requires for a particular transferor entity for a particular transfer year.

(10) "Intergovernmental transfer" means a transfer of funds from a public entity to the state, that is local government financial participation in Medi-Cal pursuant to the terms of this section.

(11) "Licensee" means an entity that has been issued a license to operate a hospital by the department.

(12) "Annualized Medi-Cal inpatient paid days" means the total number of Medi-Cal acute inpatient hospital days, regardless of dates of service, for which payment was made by or on behalf of the

department to a hospital, under present or previous ownership, during the most recent calendar year ending prior to the beginning of a particular transfer year, including all Medi-Cal acute inpatient covered days of care for hospitals which are paid on a different basis than per diem payments.

(b) The Medi-Cal Inpatient Payment Adjustment Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the fund shall be continuously appropriated to, and under the administrative control of, the department for the purposes specified in subdivision (d). The fund shall consist of the following:

(1) Transfer amounts collected by the Controller under this section, whether submitted by transferor entities pursuant to subdivision (i) or obtained by offset pursuant to subdivision (j).

(2) Any other intergovernmental transfers deposited in the fund, as permitted by Section 14164.

(3) Any interest that accrues with respect to amounts in the fund.

(c) Moneys in the fund, which shall not consist of any state general funds, shall be used as the source for the nonfederal share of payments to hospitals pursuant to Section 14105.98. Moneys shall be allocated from the fund by the department and matched by federal funds in accordance with customary Medi-Cal accounting procedures, and used to make payments pursuant to Section 14105.98.

(d) Except as otherwise provided in Section 14105.98 or in any provision of law appropriating a specified sum of money to the department for administering this section and Section 14105.98, moneys in the fund shall be used only for the following:

(1) Payments to hospitals pursuant to Section 14105.98.

(2) (A) Except as provided in subparagraph (B), and except for the amount transferred pursuant to paragraph (3), transfers to the Health Care Deposit Fund in an amount equal to 11.419 percent of all transfer amounts deposited in the fund, the amount to be determined on a fiscal year basis. These transfers from the fund shall be made on a monthly basis to the Medi-Cal local assistance appropriation item (Item 4260-101-001 of the annual Budget Act) in support of Medi-Cal expenditures. No reductions shall apply to the percentage transferred to the Health Care Deposit Fund.

(B) (i) Except for the amount transferred pursuant to paragraph (3), transfers to the Health Care Deposit Fund in an amount equal to 13.988 percent of all transfer amounts deposited in the fund, the amount determined on a fiscal year basis. These transfers from the fund shall be made on a monthly basis to the Medi-Cal local assistance appropriation item (Item 4260-101-001 of the annual Budget Act) in support of Medi-Cal expenditures. No reductions shall apply to the percentage transferred to the Health Care Deposit Fund.

(ii) If the disproportionate share payments are not increased to the level necessary to yield an additional fifty million dollars ($50,000,000) net to the General Fund revenue by January 1, 1994,

this subparagraph shall become operative on that date, subparagraph (A) shall become inoperative, and this subparagraph shall be applied retroactively to July 1, 1993.

(3) In the 1993–94 fiscal year, in addition to the amount transferred as specified in paragraph (2), fifteen million dollars ($15,000,000) shall also be transferred to the Medi-Cal local assistance appropriation item (Item 4260-101-001) of the Budget Act of 1993. The percentage requirement contained in paragraph (2) shall not apply to this additional transfer.

(e) For the 1991–92 state fiscal year, the department shall determine, no later than 70 days after the enactment of this section, the transferor entities for the 1991–92 transfer year. To make this determination, the department shall utilize the disproportionate share list for the 1991–92 fiscal year, which shall be issued by the department no later than 65 days after the enactment of this section, pursuant to paragraph (1) of subdivision (f) of Section 14105.98. The department shall identify each eligible hospital on the list for which a public entity is the licensee as of July 1, 1991. The public entity that is the licensee of each identified eligible hospital shall be a transferor entity for the 1991–92 transfer year.

(f) The department shall determine, no later than 70 days after the enactment of this section, the transfer amounts for the 1991–92 transfer year. The transfer amounts shall be determined as follows:

(1) The eligible hospitals for 1991–92 shall be identified. For each hospital, the applicable total per diem payment adjustment amount under Section 14105.98 for the 1991–92 transfer year shall be computed. This amount shall be multiplied by 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days as determined from all Medi-Cal paid claims records available through April 1, 1991. The products of these calculations for all eligible hospitals shall be added together to determine an aggregate sum for the 1991–92 transfer year.

(2) The eligible hospitals for 1991–92 involving transferor entities as licensees shall be identified. For each hospital, the applicable total per diem payment adjustment amount under Section 14105.98 for the 1991–92 transfer year shall be computed. This amount shall be multiplied by 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days as determined from all Medi-Cal paid claims records available through April 1, 1991. The products of these calculations for all eligible hospitals with transferor entities as licensees shall be added together to determine an aggregate sum for the 1991–92 transfer year.

(3) The aggregate sum determined under paragraph (1) shall be divided by the aggregate sum determined under paragraph (2), yielding a factor to be utilized in paragraph (4).

(4) (A) Except as provided in subparagraph (B), the factor determined in paragraph (3) shall be multiplied by the amount determined for each hospital under paragraph (2). The product of this calculation for each hospital in paragraph (2) shall be divided by

1.771, yielding a transfer amount for the particular transferor entity for the transfer year, except as provided by paragraph (5).

(B) (i) The factor determined in paragraph (3) shall be multiplied by the amount determined for each hospital under paragraph (2). The product of this calculation for each hospital in paragraph (2) shall be divided by 1.720, yielding a transfer amount for the particular transferor entity for the transfer year, except as provided by paragraph (5).

(ii) If the disproportionate share payments are not increased to the level necessary to yield an additional fifty million dollars ($50,000,000) net to the General Fund revenue by January 1, 1994, this subparagraph shall become operative on that date, subparagraph (A) shall become inoperative, and this subparagraph shall be applied retroactively to July 1, 1993.

(5) Only for the transfer year with respect to which the payment adjustment program set forth in Section 14105.98 first gains federal approval, a reduction in the transfer amount determined pursuant to paragraph (4) shall be applicable under the following circumstances:

(A) To determine any such reduction, the transfer amount determined pursuant to paragraph (4) shall first be multiplied by a fraction, the numerator of which is the number of days of the transfer year for which federal approval is effective and the denominator of which is 365.

(B) If the product of the calculation under subparagraph (A) is 80 percent or more of the transfer amount determined under paragraph (4), no reduction of the transfer amount determined under paragraph (4) shall apply.

(C) If the product of the calculation under subparagraph (A) is less than 80 percent of the transfer amount determined under paragraph (4), a reduction shall apply to the transfer amount determined under paragraph (4). The reduction shall be that particular amount which is equal to the difference between (i) the transfer amount determined under paragraph (4) and (ii) the amount calculated under subparagraph (A) divided by 80 percent.

(D) Any reduction of a transfer amount applicable under subparagraph (C) shall be spread equally among the installments referred to in subdivision (i).

(g) For the 1991–92 transfer year, the department shall notify each transferor entity in writing of its applicable transfer amount or amounts no later than 70 days after the enactment of this section, which amount or amounts shall be subject to adjustment pursuant to subdivisions (f) and (i).

(h) For the 1992–93 transfer year and subsequent transfer years, transfer amounts shall be determined in the same procedural manner as set forth in subdivision (f), except:

(1) The department shall use all of the following:

(A) The disproportionate share list applicable to the particular transfer year, which shall be issued no later than five days after the beginning of the transfer year, to determine the eligible hospitals.

(B) The total per diem payment adjustment amounts calculated under Section 14105.98 for the particular transfer year.

(C) Data regarding annualized Medi-Cal inpatient paid days for the most recent calendar year ending prior to the beginning of the particular transfer year, as determined from all Medi-Cal paid claims records available through April 1 preceding the particular transfer year.

(D) The status of public entities as licensees of eligible hospitals as of July 1 of the particular transfer year.

Further, the transfer amounts calculated by the department may be increased by a percentage amount consistent with the Medi-Cal State Plan.

(2) The department shall prepare preliminary analyses and calculations regarding potential transfer amounts, and potential transferor entities shall be notified by the department of estimated transfer amounts, at least 60 days before the beginning of the particular transfer year. Written notices of transfer amounts shall be issued no later than five days after the beginning of the particular transfer year. All state agencies shall take all necessary steps in order to supply applicable data to the department to meet these deadlines. The Office of Statewide Health Planning and Development shall provide to the department, no later than March 1 of each year, the data specified by the department, as the data existed on the statewide data base file as of February 1 of each year (except that for the 1991–92 transfer year, the Office of Statewide Health Planning and Development shall provide data as it existed on the statewide data base file as of August 30, 1991), from all of the following:

(A) Hospital annual disclosure reports, filed with the Office of Statewide Health Planning and Development pursuant to Section 443.31 of the Health and Safety Code, for hospital fiscal years which ended during the calendar year ending 13 months prior to the applicable February 1.

(B) Annual reports of hospitals, filed with the Office of Statewide Health Planning and Development pursuant to Section 439.2 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(C) Hospital patient discharge data reports, filed with the Office of Statewide Health Planning and Development pursuant to subdivision (g) of Section 443.31 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(D) Any other materials on file with the Office of Statewide Health Planning and Development.

(3) For the 1993–94 fiscal year, the transfer amount that would otherwise be required from the University of California pursuant to subdivision (f) shall be increased by fifteen million dollars ($15,000,000).

(i) (1) For the 1991–92 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in

the fund, in eight equal installments. Except as provided below, the first installment shall accrue on July 25, 1991, and all other installments shall accrue on the 5th day of each month thereafter from August through February.

(2) Notwithstanding paragraph (1), no installment shall be payable to the Controller until that date which is 20 days after the department notifies the transferor entity in writing that the payment adjustment program set forth in Section 14105.98 has gained federal approval as part of the Medi-Cal program. For purposes of this section, federal approval requires both (i) approval by appropriate federal agencies of an amendment to the Medi-Cal State Plan, as referred to in subdivision (o) of Section 14105.98, and (ii) confirmation by appropriate federal agencies regarding the availability of federal financial participation for the payment adjustment program set forth in Section 14105.98 at a level of at least 40 percent of the percentage of federal financial participation that is normally applicable for Medi-Cal expenditures for acute inpatient hospital services.

(3) If any installment that would otherwise be payable under paragraph (1) is not paid because of the provisions of paragraph (2), then subparagraphs (A) and (B) shall be followed when federal approval is gained.

(A) All installments that were deferred based on the provisions of paragraph (2) shall be paid no later than 20 days after the department notifies the transferor entity in writing that federal approval has been gained, in an amount consistent with subparagraph (B).

(B) The installments paid pursuant to subparagraph (A) shall be paid in full, subject to an adjustment in amount pursuant to paragraph (5) of subdivision (f).

(4) All installments for the 1991–92 transfer year that arise in months after federal approval is gained shall be paid by the 5th day of the month or 20 days after the department notifies the transferor entity in writing that federal approval has been gained, whichever is later. These installments shall be subject to an adjustment in amount pursuant to paragraph (5) of subdivision (f).

(5) For the 1992–93 transfer year and subsequent transfer years, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in eight equal installments. The first installment shall be payable on July 10 of each transfer year. All other installments shall be payable on the 5th day of each month thereafter from August through February.

(6) A transferor entity may use any of the following funds for purposes of meeting its transfer obligations under this section:

(A) General funds of the transferor entity.

(B) Any other funds permitted by law to be used for these purposes, except that a transferor entity shall not submit to the Controller any federal funds unless those federal funds are authorized by federal law to be used to match other federal funds.

In addition, no private donated funds from any health care provider, or from any person or organization affiliated with such a health care provider, shall be channeled through a transferor entity or any other public entity to the fund. The transferor entity shall be responsible for determining that funds transferred meet the requirements of this subparagraph.

(j) If a transferor entity does not submit any transfer amount within the time period specified in this section, the Controller shall offset immediately the amount owed against any funds which otherwise would be payable by the state to the transferor entity. The Controller, however, shall not impose an offset against any particular funds payable to the transferor entity where the offset would violate state or federal law.

(k) All amounts received by the Controller pursuant to subdivision (i), or offset by the Controller pursuant to subdivision (j), shall immediately be deposited in the fund.

(*l*) For purposes of this section, the disproportionate share list utilized by the department for a particular transfer year shall be identical to the disproportionate share list utilized by the department for the same state fiscal year for purposes of Section 14105.98. Nothing on a disproportionate share list, once issued by the department, shall be modified for any reason other than mathematical or typographical errors or omissions on the part of the department or the Office of Statewide Health Planning and Development in preparation of the list.

(m) Neither the intergovernmental transfers required by this section, nor any elective transfer made pursuant to Section 14164, shall create, lead to, or expand the health care funding or service obligations for current or future years for any transferor entity, except as required of the state by this section or as may be required by federal law, in which case the state shall be held harmless by the transferor entities on a pro rata basis.

(n) No amount submitted to the Controller pursuant to subdivision (i), or offset by the Controller pursuant to subdivision (j), shall be claimed or recognized as an allowable element of cost in Medi-Cal cost reports submitted to the department.

SEC. 60. Section 15204.7 is added to the Welfare and Institutions Code, to read:

15204.7. Subject to Section 15204.5, the state may pay 100 percent of the nonfederal administrative costs, when cost-effective, as determined by the state, of followup activities in the Income Eligibility and Verification System for recipients.

SEC. 61. Section 16809 of the Welfare and Institutions Code, as amended by Section 137 of Chapter 722 of the Statutes of 1992, is amended to read:

16809. (a) The board of supervisors of a county which contracted with the department pursuant to Section 16709 during the 1990–91 fiscal year and of any county with a population under 300,000, as determined in accordance with the 1990 decennial census, may enter

into a contract with the department and the department may enter into a contract with that county under which the department agrees to administer the program responsibilities for specified health services to county residents certified eligible for those services by the county.

(b) (1) Each county intending to contract with the department pursuant to this section shall submit to the department a notice of intent to contract adopted by the board of supervisors. The notice shall be submitted no later than April 1 of the fiscal year preceding the fiscal year for which the agreement will be in effect in accordance with procedures established by the department.

(2) For the 1991–92 fiscal year only, and notwithstanding paragraph (2) of subdivision (a) of Section 1498.1 of Title 17 of the California Code of Regulations, the notice of intent to contract submitted by an eligible county pursuant to this section shall not be legally binding on that county or the state until 15 days after the enactment of the Budget Act of 1991.

(3) For the 1991–92 fiscal year only, contracts entered into pursuant to this section shall be governed by the following provisions:

(A) For a county which contracted with the department pursuant to Section 16709 during the 1990–91 fiscal year, the county may unilaterally terminate its contract and the effective date of termination shall be no earlier than the first day of the calendar month subsequent to 45 days after enactment of the Budget Act of 1991.

(B) For a county eligible pursuant to subdivision (a) which did not contract with the department pursuant to Section 16709 during the 1990–91 fiscal year, the county and the department may enter into a contract which shall have an effective date, at the discretion of the department no later than January 1, 1992.

(C) For a county which contracted with the department pursuant to Section 16709 during the 1990–91 fiscal year, the effective date of contracting shall be July 1, 1991, unless the county terminates participation pursuant to subparagraph (A).

(c) A county contracting with the department pursuant to this section shall not be relieved of its indigent health care obligation under Section 17000.

(d) The department shall establish the County Medical Services Program Account in the County Health Services Fund. The following amounts may be deposited in the program account:

(1) Any interest earned upon money deposited in the program account.

(2) Moneys provided by participating counties or appropriated by the Legislature to the program account.

(3) Moneys loaned pursuant to subdivision (q).

(e) Moneys in the program account shall be used by the department for both of the following purposes:

(1) To pay for health care services provided to the county

residents meeting the eligibility criteria established pursuant to subdivision (j).

(2) (A) To pay for services for persons requiring emergency treatment, regardless of their county of residence, including those persons whose immigration status has not been established, who are unable to pay for those services, and for whom payment will not be made through any private coverage or by any other program funded in whole or in part by the state or the federal government.

(B) (i) Notwithstanding any other provision of this section, except as provided in clause (ii), money in the program account shall not be used to pay for services for individuals who are not residents of counties that contract with the department pursuant to this section.

(ii) Clause (i) does not apply to services that are related to any accident or illness that occurs within a county that contracts with the department pursuant to this section.

(f) (1) Moneys in the program account shall be administered on an accrual basis and notwithstanding any other provision of law, except as provided in this section, shall not be transferred to any other fund or account in the State Treasury except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

(2) (A) Any interest or other increment resulting from the investment shall be deposited in the program account, at the end of the 1982–83 fiscal year and every six months thereafter, notwithstanding Section 16305.7 of the Government Code.

(B) All interest deposited pursuant to subparagraph (A) shall be available to reimburse program-covered services, or for expenditure to augment the program's rates, benefits or eligibility criteria pursuant to subdivision (j).

(g) The department shall establish a separate County Medical Services Program Reserve Account, hereafter referred to as the reserve account, in the County Health Services Fund. Six months after the end of each fiscal year, any projected savings in the program account shall be transferred to the reserve account, with final settlement occurring no more than 12 months later. Moneys in this account shall be utilized when expenditures for health services made pursuant to subdivision (j) for a fiscal year exceed the amount of funds available in the program account for that fiscal year. When funds in the reserve account are estimated to exceed 10 percent of the budget for health services for all counties electing to contract with the department under this section for the fiscal year, the additional funds shall be available for expenditure to augment the rates, benefits, or eligibility criteria pursuant to subdivision (j) or for reducing the participation fees required of Section 16809.3.

(h) Moneys in the program account and the reserve account, except for funds provided by the state in excess of the amount required to fund the state risk specified in subdivision (j), and any

funds loaned pursuant to subdivision (q), shall not be transferred to any other fund or account in the State Treasury except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from investment shall be deposited in the program account, notwithstanding Section 16705.7 of the Government Code.

(i) (1) Counties shall pay by the 15th of each month the agreed upon contract amount. In the event a county does not make the agreed upon monthly payment, the department may terminate the county's participation in the program.

(2) A county may request, due to financial hardship, that payments under paragraph (1) be delayed. The request shall be subject to approval by the Small County Advisory Committee.

(3) Payments made pursuant to this subdivision shall be deposited in the program account.

(4) Payments may be made as a part of the deposit authorized by the county pursuant to Sections 17603.05 and 17604.05.

(j) (1) For the 1991–92 fiscal year and all preceding fiscal years, the state shall be at risk for any costs over and above the amounts deposited in the reserve account.

(2) (A) Beginning in the 1992–93 fiscal year and for each fiscal year thereafter, counties and the state shall share the risk for cost increases of the County Medical Services Program not funded through other sources. The state shall be at risk for any cost that exceed the cumulative annual growth in vehicle license fee and sales tax revenues deposited into the Local Revenue Fund for distribution to counties participating in the County Medical Services Program, up to the amount of twenty million two hundred thirty-seven thousand four hundred sixty dollars ($20,237,460) per fiscal year and up to the amount of twenty-two million thirty-seven thousand four hundred sixty dollars ($22,037,460) for the 1993–94 fiscal year. Counties shall be at risk up to the cumulative annual growth in the Local Revenue Fund created by Section 17600 according to the table specified in paragraph (3) to the County Medical Services Program, plus additional cost increases in excess of twenty million two hundred thirty-seven thousand four hundred sixty dollars ($20,237,460) per fiscal year, plus additional cost increases in excess of twenty-two million thirty-seven thousand four hundred sixty dollars ($22,037,460) for the 1993–94 fiscal year.

(B) As a condition of the state assuming this risk, the department may require uniform eligibility criteria and benefits to be provided which shall be mutually established by participating counties in conjunction with the department. The department in consultation with the counties may revise these eligibility criteria and benefits or alter rates of payment in order to ensure that expenditures do not exceed the funds available in the program account.

(3) For the 1991–92 fiscal year, jurisdictional risk limitations shall be as follows:

Jurisdiction	Amount
Alpine	$ 13,160
Amador	620,695
Butte	5,954,724
Calaveras	914,593
Colusa	800,543
Del Norte	781,900
El Dorado	3,537,742
Glenn	788,480
Humboldt	6,887,960
Imperial	6,398,861
Inyo	1,101,021
Kings	2,834,800
Lassen	687,590
Madera	2,884,148
Marin	7,731,272
Mariposa	435,364
Modoc	469,359
Mono	369,566
Napa	3,065,093
Nevada	1,862,085
Plumas	905,820
San Benito	1,086,765
Shasta	5,364,735
Sierra	135,983
Siskiyou	1,372,986
Solano	6,875,897
Sonoma	13,192,510
Sutter	2,998,198
Tehama	1,913,627
Trinity	611,922
Tuolumne	1,456,330
Yuba	2,397,243

(4) Beginning in the 1991–92 fiscal year and in subsequent fiscal years, the jurisdictional risk limitation for counties that did not contract with the department pursuant to Section 16709 during the 1990–91 fiscal year shall be the amount specified in subparagraph (A), plus the amount determined pursuant to subparagraph (B), minus the amount specified in Section 16809.3.

(A)

Jurisdiction	Amount
Lake	1,022,963
Mendocino	1,654,999
Merced	2,033,729
Placer	1,338,330
San Luis Obispo	2,000,491
Santa Cruz	3,037,783
Yolo	1,475,620

(B) The amount of funds necessary to fully fund the anticipated costs for the county shall be determined by the department. This amount shall be subject to the approval of both the Department of Finance and the Small County Advisory Committee before a county is permitted to contract back with the department.

(5) For the 1992–93 fiscal year and fiscal years thereafter, the amounts of the jurisdictional risk limitations shall be adjusted according to the provisions of paragraph (2).

(k) The Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Contracts under this section shall be exempt from the provisions of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. Contracts shall have no force and effect unless approved by the Department of Finance.

(*l*) The state shall not incur any liability except as specified in this section.

(m) The department may pursue third-party recoveries for services provided under this section pursuant to Article 3.5 (commencing with Section 14124.70) of Chapter 7 of Part 3.

(n) Under the program provided for in this section, the department shall reimburse hospitals for inpatient services at the rates negotiated for the Medi-Cal program by the California Medical Assistance Commission, pursuant to Article 2.6 (commencing with Section 10481) of Chapter 7 of Part 3, if the California Medical Assistance Commission determines that reimbursement to the hospital at the contracted rate will not have a detrimental fiscal impact on either the Medi-Cal program or the program provided for in this section. In negotiating and renegotiating contracts with hospitals, the commission may seek terms which allow reimbursement for patients receiving services under this section at contracted Medi-Cal rates.

(o) Any hospital which has a contract with the state for inpatient services under the Medi-Cal program and which has been approved by the commission to be reimbursed for patients receiving services under this section shall not deny services to these patients.

(p) Participating counties may conduct an independent program review to identify ways through which program savings may be generated. The counties and the department shall collectively

pursue identified options for the realization of program savings.

(q) The Department of Finance may authorize a loan of up to thirty million dollars ($30,000,000) for deposit into the program account to ensure that there are sufficient funds available to reimburse providers and counties pursuant to this section.

(r) This section shall remain operative only until July 1, 1994, and shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

SEC. 62. Section 17600 of the Welfare and Institutions Code is amended to read:

17600. (a) There is hereby created the Local Revenue Fund, that shall have all of the following accounts:

(1) The Sales Tax Account.

(2) The Vehicle License Fee Account.

(3) The Vehicle License Collection Account.

(4) The Sales Tax Growth Account.

(5) The Vehicle License Fee Growth Account.

(b) The Sales Tax Account shall have all of the following accounts and subaccounts:

(1) The Mental Health Subaccount.

(2) The Social Services Subaccount.

(3) The Health Subaccount.

(4) The In-Home Supportive Services Registry Model Account.

(c) The Sales Tax Growth Account shall have all of the following subaccounts:

(1) The Caseload Subaccount.

(2) The Indigent Health Subaccount.

(3) The Community Health Subaccount.

(4) The Mental Health Subaccount.

(5) The State Hospital Mental Health Subaccount.

(6) The County Medical Services Subaccount.

(7) The General Growth Subaccount.

(d) Notwithstanding Section 13340 of the Government Code, the Local Revenue Fund is continuously appropriated, without regard to fiscal years, for the purpose of this chapter.

(e) The Local Revenue Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be distributed in January and July for the programs of the accounts and subaccounts.

SEC. 62.5. Section 17600.110 is added to the Welfare and Institutions Code, to read:

17600.110. (a) Moneys in the In-Home Supportive Services Registry Model Account shall be available for allocation by the Controller for the purposes of Section 12301.6.

(b) On September 1, 1993, the Controller shall transfer two million one hundred forty-five thousand dollars ($2,145,000) from Schedule A of Item 5180-151-001 of the Budget Act of 1993 and one million one hundred fifty-five thousand ($1,155,000) from the Social

Services Subaccount into the In-Home Supportive Services Registry Model Account.

SEC. 63. Section 18906.8 is added to the Welfare and Institutions Code, to read:

18906.8. Subject to Section 18906, the state may pay 100 percent of the nonfederal administrative costs, when cost-effective, as determined by the state, of followup activities in the Income Eligibility and Verification System for recipients.

SEC. 64. Section 18919 of the Welfare and Institutions Code is amended to read:

18919. (a) The director may establish, within the Food Stamp Program, the Food Stamp Cash Out Demonstration Project.

(b) To enable San Diego County to conduct a demonstration project, the director may, by formal order, waive the enforcement of Section 18904 and specific regulations and standards. The order establishing the waiver shall provide alternative methods and procedures of administration and issuance, shall not be in conflict with the basic purposes or coverage provided by law, shall not reduce the amount of benefits that recipients would otherwise be entitled to under the Food Stamp Program, shall not be general in scope but shall apply only to this project, shall not exceed five years, and shall not take effect unless and until the following conditions have been met:

(1) The appropriate federal agency has agreed on or before June 30, 1989, to waive the federal requirements for the same project.

(2) A comprehensive plan, including an analysis of the expected costs and savings, has been published in a newspaper of general circulation in San Diego County and filed with the policy and fiscal committees of each house of the Legislature.

(c) During the duration of the demonstration project, cashed out food stamp benefits shall not be considered as income in determining eligibility, the amount of aid, or benefit levels in any other public benefit or subsidy program. Applicants and recipients shall be entitled to the same rights to fair hearings and appeals that they would otherwise be entitled to under the Food Stamp Program.

(d) San Diego County shall submit an annual report to the department on the demonstration project authorized by this section. The county shall additionally collect and report any data and findings as required by the department and shall cooperate with the department in evaluating the demonstration project.

(e) Within nine months of the termination of the demonstration project authorized by this section, the department shall submit to the Legislature a report evaluating the effectiveness of the demonstration project. The report shall address, but not be limited to, the impact of the demonstration project on all of the following:

(1) Food stamp processing and mailing costs.

(2) Eligibility staff time and other administrative costs.

(3) Losses caused by fraud and theft.

(4) Changes in program benefits received by, and receptivity to

cashed out benefits of, food stamp recipients.

(5) Food stamp error rate prior to and during cash out of food stamps.

(f) The director may extend the demonstration project to June 30, 1997.

SEC. 65. Section 18923 is added to the Welfare and Institutions Code, to read:

18923. (a) The State Department of Social Services shall submit a request to the United States Department of Agriculture for a waiver to permit a food stamp household to retain funds in the restricted savings account as specified in subdivision (a) of Section 11155.2 and as accumulated while participating in the Aid to Families with Dependent Children program. The participation requirements for this specific savings account as specified in subdivision (a) of Section 11155.2 shall apply to the Food Stamp Program. Penalties for nonqualifying withdrawal of these funds shall result in a calculation of a period of ineligibility for all persons in the food stamp household, to be determined by dividing the balance in the account immediately prior to the withdrawal by the food stamp allotment to which the household is entitled. The resulting whole number shall be the number of months of ineligibility. The period of ineligibility may be reduced when the divisor, which is the food stamp allotment, increases as a result of a cost-of-living adjustment.

(b) The director may waive, with federal approval, the enforcement of specific Food Stamp Program requirements, regulations, and standards necessary to implement this provision.

SEC. 66. Section 19356.6 of the Welfare and Institutions Code is amended to read:

19356.6. (a) The definitions contained in this subdivision shall govern the construction of this section, with respect to services provided through the Habilitation Service Program, and unless the context requires otherwise, shall have the following meanings:

(1) "Supported employment" means paid work that is integrated in the community for persons with developmental disabilities whose vocational handicap is so severe that they would be unable to achieve this employment without specialized services and would not be able to retain this employment without an appropriate level of ongoing postemployment support services.

(2) "Integrated work" means the engagement of an employee with a disability in work in a natural community employment setting, including, but not limited to, groups and individual placements, in which the degree of integration is measured by the extent to which the disabled employee has opportunities to interact with nondisabled individuals other than those providing direct support services to the disabled employee.

(3) "Group placement" means the engagement of a group containing at least three, but not more than eight, persons with developmental disabilities in paid work in an integrated work setting in the community, usually at employer sites, and which represents a

minority of the employer's work force.

(4) "Individual placement" means placing a person with a developmental disability with an employer in the community and providing specialized services which are intended to lead to employer-paid and employer-supervised employment, and where services decrease as the individual adjusts to the job; and ongoing postemployment services necessary for the individual to retain the job.

(5) "Allowable supported employment services" means the services approved in the individual habilitation component and provided, to the extent allowed by the Habilitation Services Program, for the purpose of achieving supported employment as an outcome for persons with developmental disabilities, which may include any of the following:

(A) Program staff time spent conducting task analysis on a supported employment opportunity for a specific consumer or group of consumers.

(B) Program staff time spent in the direct supervision or training of a consumer or consumers while they are engaged in integrated work designed to achieve supported employment unless other arrangements for consumer supervision, such as employer supervision reimbursed by the work-activity program, are approved by the Habilitation Services Program.

(C) Social skills training which is necessary to ensure job adjustment and retention, and which is provided in an integrated setting, unless otherwise approved by the Habilitation Services Program.

(D) Training in certain independent living skills, such as independent travel or money management, which is necessary to ensure job adjustment and retention and which is provided in the community, unless otherwise approved by the Habilitation Services Program.

(E) Counseling with family, care providers, or others to ensure necessary support to consumers' job adjustment or to overcome problems affecting their job performance.

(F) Direct action to advocate on behalf of a consumer to resolve problems affecting the consumer's work adjustment or retention of an integrated job.

(G) Intervention with the employer to review a consumer's job performance, resolve job problems or facilitate the employer's hiring of the consumer as an employee.

(H) In the case of groups which must take equipment or materials to and from the worksite, the time the group members spend preparing for, and ending, the day's work.

(I) In the case of individual placements, job development to the extent authorized by the Habilitation Services Program, and ongoing postemployment support services needed to ensure the consumer's retention of the job.

(J) In the case of groups, the staff time spent obtaining and

arranging the jobsite for a specific group of consumers.

(b) (1) Notwithstanding subdivision (c) of Section 19353, the department's habilitation services and vocational rehabilitation programs may mutually serve individuals whose individual written rehabilitation program provides for placement into supported employment, or who are in vocational rehabilitation extended evaluation. Consistent with the intent of Section 19355.5, effective July 1, 1993, the department shall restore Vocational Rehabilitation Work Activity Program and Vocational Rehabilitation Supported Employment Program rates to their July 1, 1992, level.

(2) Section 19351 shall not be interpreted to limit the authority provided by this subdivision to mutually serve consumers.

(c) (1) The Habilitation Services Program shall set hourly rates for supported employment services provided in accordance with this section. The Habilitation Services Program shall apply those rates to those work-activity programs or program components of work-activity programs approved by the department to provide community-integrated services under former paragraph (3) of subdivision (d) of Section 19356.5, and to new programs or components approved by the Habilitation Services Program to provide supported employment services following enactment of this section. Both of these categories of programs or components shall be required to comply with the criteria set forth in subdivision (b) of Section 19356.7 to receive approval from the Habilitation Services Program.

(2) The hourly rate for work crews and enclaves shall be four dollars ($4) per client or, in the case of new components of existing programs, the work-activity program's daily rate converted to an hourly rate according to the formula set forth in subdivision (d), whichever hourly rate is the higher. In addition, the Habilitation Services Program may, at its discretion, negotiate a higher hourly rate for work crews or enclaves, based upon a submitted budget that is approved by the Habilitation Services Program, when there is documentation that demonstrates a need for a higher rate because of the nature and severity of the disabilities of the clients served or unique local needs, as determined by the Habilitation Services Program. All negotiated rate increases based on unique local needs shall be contingent upon review and approval by the Department of Finance.

(3) The hourly rate for individual placement shall be twenty dollars ($20) per consumer for one-to-one services. If more than one client is receiving placement services simultaneously at the same site, the amount to be reimbursed per hour of service provided shall not exceed twenty dollars ($20) regardless of the number of consumers receiving service during the hour.

(4) These hourly rates shall be subject to rate adjustments provided by law commencing with the 1987–88 fiscal year.

(5) (A) Commencing July 1, 1991, the department shall add to each supported employment program rate an amount that is the

equivalent of the hourly reimbursement received by the program for administrative services delivered during the period of July 1, 1990, to March 31, 1991, inclusive.

(B) For programs approved after July 1, 1991, pursuant to Section 19356.7, the statewide average for hourly reimbursement for administrative services shall be applied to the rate.

(d) (1) When a consumer receives traditional work-activity services and supported employment services during the same payment period, the Habilitation Services Program shall convert the daily rate for the traditional work-activity services into an hourly rate for the purpose of paying for those traditional work-activity services received by that consumer. In its conversion of the daily rate into any hourly rate, the Habilitation Services Program shall use the formula in paragraph (2).

(2) The daily rate of the work-activity program shall be divided by the number of hours in the program day of the traditional work-activity program during the historical period on which its rate is based, or as of the date the Habilitation Services Program approved the work-activity program as a new provider of habilitation services plus 5 percent.

(e) This section shall become inoperative on October 1, 1996, and, as of January 1, 1997, is repealed unless a later enacted statute which becomes effective on or before January 1, 1997, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 67. Section 21.50 of Chapter 587 of the Statutes of 1992 is amended to read:

Sec. 21.50. (a) Notwithstanding any other provision of law, for the 1992–93 fiscal year, the amount of the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code as appropriated in subdivision (i) of Section 28 of Chapter 278 of the Statutes of 1991 as amended by Section 40 of Chapter 1170 of the Statutes of 1991, is hereby reduced by fifteen million dollars ($15,000,000) from thirty-nine million dollars ($39,000,000) to twenty-four million dollars ($24,000,000). For fiscal year 1992-93, fifteen million dollars ($15,000,000) from in the Unallocated Account is appropriated to the Department of Health Services, prenatal services for undocumented aliens as provided for in Chapter 1441 of the Statutes of 1988 ..... $15,000,000

(b) The Department of Health Services shall recoup funds which were provided pursuant to Chapter 4 (commencing with Section 16930) and Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code if they were not encumbered or expended according to the requirements of Chapters 4 and 5. The funds shall revert to the California Health Indigents

Program Account or Rural Health Services Account respectively, except that for the 1992–93 fiscal year, notwithstanding subdivision (c) of Section 16930 and subdivision (c) of Section 16940 of the Welfare and Institutions Code, forty-one million two hundred eighty-nine thousand dollars ($41,289,000) of such funds shall be reverted to the Unallocated Account. For the 1992–93 fiscal year forty-one million two hundred eighty-nine thousand dollars ($41,289,000) from the Unallocated Account is appropriated to the Department of Health Services for prenatal services for undocumented aliens as provided for in Chapter 1441 of the Statutes of 1988. To the extent permissible, funding received pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code, shall be used to fund these activities.

(c) The five hundred thousand dollars ($500,000) appropriated in subdivision (j) of Section 28 of Chapter 278 of the Statutes of 1991 as amended by Section 40 of Chapter 1170 of the Statutes of 1991, from the Unallocated Account to the State Department of Education is hereby reduced to zero. For the 1992–93 fiscal year, five hundred thousand dollars ($500,000) from the Unallocated Account is appropriated to the Department of Health Services for prenatal services for undocumented aliens as provided for in Chapter 1441 of the Statutes of 1988.

(d) The amount appropriated in paragraphs (1), (2), and (3) of subdivision (a) of Section 28 of Chapter 278 of the Statutes of 1991 as amended by Section 40 of Chapter 1170 of the Statutes of 1991, from the Health Education Account for the State Department of Education, as adjusted pursuant to Section 43 of Chapter 278 of the Statutes of 1991, is hereby reduced by one of 1991, from the Health Education Account for the State Department of Education, as adjusted pursuant to Section 43 of Chapter 278 of the Statutes of 1991, is hereby reduced by one million, three hundred thousand dollars ($1,300,000).

(e) The amount appropriated in paragraph (4) of subdivision (b) of Section 27 of Chapter 278 of the Statutes of 1991 from the Health Education Account to the Department of Health Services for establishment of competitive grants is hereby reduced by one million eight hundred thousand dollars ($1,800,000) to fourteen million twenty thousand dollars ($14,020,000). The amount appropriated in paragraph (6) of subdivision (b) of Section 27 of Chapter 278 of the Statutes of 1991 from the Health Education Account to the Department of Health Services for allocation to local lead agencies is hereby reduced by three million dollars ($3,000,000) to twenty-one million seven hundred thousand dollars ($21,700,000).

(f) The amount appropriated in paragraph (4) of subdivision (b) of Section 28 of Chapter 278 of the Statutes of 1991 from the Health Education Account to the Department of Health Services for establishment of competitive grants as adjusted pursuant to Section 43 of Chapter 278 of the Statutes of 1991 is hereby reduced by three million dollars ($3,000,000).

(g) The amount appropriated in paragraph (6) of subdivision (b) of Section 28 of Chapter 278 of the Statutes of 1991 from the Health Education Account to the Department of Health Services for establishment of local lead agencies, as adjusted pursuant to Section 43 of Chapter 278 of the Statutes of 1991, is hereby reduced by eleven million, eight hundred fifty-seven thousand dollars ($11,857,000).

SEC. 68. The Director of Social Services shall promptly seek any federal waivers necessary to implement applicable provisions of this act.

SEC. 69. (a) The State Department of Social Services and the State Department of Health Services may adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, to implement applicable provisions of this act.

(b) The adoption of any emergency regulations by the State Department of Social Services pursuant to this section that are filed with the Office of Administrative Law within one year of the effective date of this act shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, or safety.

(c) The initial adoption of emergency regulations by the State Department of Health Services and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety or general welfare. Initial emergency regulations and the first readoption of those regulations by the State Department of Health Services shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this subdivision shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and shall remain in effect for no more than 120 days.

SEC. 70. Except where otherwise specified in this act, provisions of this act requiring a federal waiver or federal approval shall become operative on the first day of the month immediately following the month in which this act is enacted, or the effective date of approvals by the Secretary of the United States Department of Health and Human Services or the Secretary of the United States Department of Agriculture, as appropriate, necessary to implement those sections, whichever is later and shall remain operative only so long as the waiver or federal approval is in effect and federal financial participation is available.

SEC. 71. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless oth-

erwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 72. If any provision of this act, or the application thereof, to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of the act are severable.

SEC. 73. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to apply the provisions of this act to the entire 1993–94 fiscal year and so facilitate the orderly administration of the system for providing human services to the people of the state, it is necessary that this act take effect immediately.

CHAPTER 70

An act to amend Section 6325 of the Business and Professions Code, to amend Sections 68086, 71383, and 77205 of, to add Section 68108 to, and to repeal Section 69910 of, the Government Code, to amend Section 1250 of the Health and Safety Code, to amend Section 853.6a of the Penal Code, and to repeal Section 1831 of the Probate Code, relating to local justice systems, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 6325 of the Business and Professions Code is amended to read:

6325. (a) The orders and demands of the trustees of the law library, when duly made and authenticated as hereinafter provided, shall be verified and audited by the auditing officer, and paid by the treasurer of the county out of the law library fund. Full entry and record shall be kept as in other cases.

(b) Notwithstanding subdivision (a), commencing July 1, 1993, the auditing officer is not required to audit the orders and demands of the trustees of the law library. This subdivision shall become inoperative on July 1, 1994.

SEC. 2. Section 68086 of the Government Code is amended to read:

68086. (a) In all superior court departments not selected to participate in the demonstration project established under Section 270 of the Code of Civil Procedure:

(1) In addition to any other trial court fee required in civil cases, a fee equal to the actual cost of providing that service shall be charged per one-half day of services to the parties, on a pro rata basis, for the services of an official reporter on the first and each succeeding judicial day those services are required.

(2) All parties shall deposit their pro rata shares of these fees with the clerk of the court at the beginning of the second and each succeeding day's court session.

(3) For purposes of this section, "one-half day" means any period of judicial time during either the morning or afternoon court session.

(4) The costs for the services of the official reporter shall be recoverable as taxable costs at the conclusion of trial.

(5) The Judicial Council shall adopt rules to ensure all of the following:

(A) That parties are given adequate and timely notice of the availability of an official reporter.

(B) That if an official reporter is not available, a party may arrange for the presence of a certified shorthand reporter to serve as an official pro tempore reporter, the costs therefore recoverable as provided in paragraph (4).

(C) That if the services of an official pro tempore reporter are utilized pursuant to this section, no other charge will be made to the parties.

(b) In all superior court departments selected to participate in the demonstration project established under Section 270 of the Code of Civil Procedure, and in all municipal and justice courts:

(1) In addition to any other trial court fee required in civil cases, a fee equal to the actual cost of providing that service shall be charged per one-half day of services to the parties, on a pro rata basis, for official reporting services on the first and each succeeding judicial day those services are required.

(2) All parties shall deposit their pro rata shares of these fees with the clerk of the court at the beginning of the second and each succeeding day's court session.

(3) For purposes of this section, "one-half day" means any period of judicial time during either the morning or afternoon court session.

(4) The costs for the official reporting services shall be recoverable as taxable costs at the conclusion of trial.

(5) The Judicial Council shall adopt rules to ensure all of the following:

(A) That litigants receive adequate information about any change in the availability of official reporting services.

(B) That if official reporting services are not available, a party may arrange for the presence of a certified shorthand reporter to serve as an official pro tempore reporter, the costs therefore recoverable as provided in paragraph (4).

(C) That if the services of a pro tempore reporter are utilized because official reporting services are unavailable, no other charge will be made to the parties for recording the proceeding.

SEC. 3. Section 68108 is added to the Government Code, to read:

68108. (a) With respect to the superior, municipal, and justice courts, to the extent that the county's Consolidated Memorandum of Understanding for county employees designates certain days as unpaid furlough days for employees assigned to regular positions in the superior, municipal, and justice courts, including all superior court, municipal court, and county employees assigned to the courts, the courts shall not be in session on those days except as ordered by the presiding judge upon a finding by the presiding judge of a judicial emergency as defined in Chapter 1.1 (commencing with Section 68115). On these furlough days, although the clerk's office shall not be open to the public, each court shall permit documents to be filed at a drop box pursuant to subdivision (b), and an appropriate judicial officer shall be available to conduct arraignments and examinations as required pursuant to Section 825 of the Penal Code, and to sign any necessary documents on an emergency basis.

(b) A drop box shall provide for an automated, official time and date stamping mechanism or other means of determining the actual date on which a document was deposited in the drop box.

SEC. 4. Section 69910 of the Government Code is repealed.

SEC. 5. Section 71383 of the Government Code is amended to read:

71383. (a) The accounts of each superior court, municipal court, and justice court shall be audited at least biennially. The county auditor shall be responsible for seeing that this audit is conducted and shall supply the Controller with a certified copy of each audit within six months after the close of the fiscal year for which the audit is conducted. The audit shall review the collection and disbursement activities of the courts, probation offices, central collection bureaus, and other agencies having a role in this process. If the accounts of any superior court, municipal court, or justice court are not audited biennially, the Controller may audit them. If an audit is requested by the board of supervisors the cost of the audit shall be paid from the general fund of the county in which the court is situated. The Controller shall review these audits. Costs incurred by the Controller for monitoring audits other than those reimbursed by counties, shall be reimbursed from the Assessment Fund commencing with the 1985–86 fiscal year as provided in the Budget Act.

(b) This section shall become inoperative on July 1, 1993, and shall remain inoperative until July 1, 1994, on which date this section shall become operative.

SEC. 6. Section 77205 of the Government Code is amended to read:

77205. (a) An option county shall receive block grant disbursement from the state quarterly.

(b) The Judicial Council shall provide for the transmission of summary information concerning court revenues and expenditures to the Controller for inclusion in the Controller's annual report.

(c) Regulations, rules, and reporting requirements adopted

pursuant to the provisions of this chapter shall be exempt from review and approval or other processing by the Office of Administrative Law as provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3.

(d) The Controller shall perform and publish financial and compliance audits of the reports submitted by option counties under this chapter for the first full fiscal year for each county opting under this chapter. The Controller shall report the results of these audits to the Legislature.

SEC. 7. Section 1250 of the Health and Safety Code is amended to read:

1250. As used in this chapter, "health facility" means any facility, place, or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer, and includes the following types:

(a) "General acute care hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. A general acute care hospital may include more than one physical plant maintained and operated on separate premises as provided in Section 1250.8. A general acute care hospital that exclusively provides acute medical rehabilitation center services, including at least physical therapy, occupational therapy, and speech therapy, may provide for the required surgical and anesthesia services through a contract with another acute care hospital. In addition, a general acute care hospital that, on July 1, 1983, provided required surgical and anesthesia services through a contract or agreement with another acute care hospital may continue to provide these surgical and anesthesia services through a contract or agreement with an acute care hospital.

(b) "Acute psychiatric hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.

(c) "Skilled nursing facility" means a health facility that provides skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis.

(d) "Intermediate care facility" means a health facility that provides inpatient care to ambulatory or nonambulatory patients

who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability of continuous skilled nursing care.

(e) "Intermediate care facility/developmentally disabled habilitative" means a facility with a capacity of four to 15 beds that provides 24-hour personal care, habilitation, developmental, and supportive health services to 15 or fewer developmentally disabled persons who have intermittent recurring needs for nursing services, but have been certified by a physician and surgeon as not requiring availability of continuous skilled nursing care.

(f) "Special hospital" means a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff that provides inpatient or outpatient care in dentistry or maternity.

(g) "Intermediate care facility/developmentally disabled" means a facility that provides 24-hour personal care, habilitation, developmental, and supportive health services to developmentally disabled clients whose primary need is for developmental services and who have a recurring but intermittent need for skilled nursing services.

(h) "Intermediate care facility/developmentally disabled—nursing" means a facility with a capacity of four to 15 beds that provides 24-hour personal care, developmental services, and nursing supervision for developmentally disabled persons who have intermittent recurring needs for skilled nursing care but have been certified by a physician and surgeon as not requiring continuous skilled nursing care. The facility shall serve medically fragile persons who have developmental disabilities or demonstrate significant developmental delay that may lead to a developmental disability if not treated.

(i) (1) "Congregate living health facility" means a residential home with a capacity, except as provided in paragraph (4), of no more than six beds, that provides inpatient care, including the following basic services: medical supervision, 24-hour skilled nursing and supportive care, pharmacy, dietary, social recreational, and at least one type of service specified in paragraph (2). The primary need of congregate living health facility residents shall be for availability of skilled nursing care on a recurring, intermittent, extended, or continuous basis. This care is generally less intense than that provided in general acute care hospitals but more intense than that provided in skilled nursing facilities.

(2) Congregate living health facilities shall provide one of the following services:

(A) Services for persons who are mentally alert, physically disabled persons, who may be ventilator dependent.

(B) Services for persons who have a diagnosis of terminal illness, a diagnosis of a life-threatening illness, or both. Terminal illness means the individual has a life expectancy of six months or less as stated in writing by his or her attending physician and surgeon. A

"life-threatening illness" means the individual has an illness that can lead to a possibility of a termination of life within five years or less as stated in writing by his or her attending physician and surgeon.

(C) Services for persons who are catastrophically and severely disabled. A catastrophically and severely disabled person means a person whose origin of disability was acquired through trauma or nondegenerative neurologic illness, for whom it has been determined that active rehabilitation would be beneficial and to whom these services are being provided. Services offered by a congregate living health facility to a catastrophically disabled person shall include, but not be limited to, speech, physical, and occupational therapy.

(3) A congregate living health facility license shall specify which of the types of persons described in paragraph (2) to whom a facility is licensed to provide services.

(4) (A) A facility operated by a city and county for the purposes of delivering services under this section may have a capacity of 59 beds.

(B) A congregate living health facility not operated by a city and county servicing persons who are terminally ill, persons who have been diagnosed with a life-threatening illness, or both, that is located in a county with a population of 500,000 or more persons may have not more than 25 beds for the purpose of serving terminally ill persons.

(C) A congregate living health facility not operated by a city and county serving persons who are catastrophically and severely disabled, as defined in subparagraph (C) of paragraph (2) that is located in a county of 500,000 or more persons may have not more than 12 beds for the purpose of serving catastrophically and severely disabled persons.

(5) A congregate living health facility shall have a noninstitutional, homelike environment.

(j) (1) "Correctional treatment center" means a health facility operated by the Department of Corrections, the Department of the Youth Authority, or a county, city, or city and county law enforcement agency that, as determined by the state department, provides outpatient health services, in addition to inpatient health services, to that portion of the inmate population who do not require a general acute care level of basic services. This definition shall not apply to those areas of a city, county, or city and county law enforcement facility that houses inmates or wards that may be receiving outpatient services and are housed separately for reasons of security and protection. The health services provided by a correctional treatment center shall include, but are not limited to, all of the following basic services: physician and surgeon, psychiatrist, psychologist, nursing, pharmacy, dental, and dietary. A correctional treatment center may provide the following services: laboratory, radiology, perinatal, and any other services approved by the state department.

(2) Outpatient surgical care with anesthesia may be provided, if the correctional treatment center meets the same requirements as a surgical clinic licensed pursuant to Section 1204, with the exception of the requirement that patients remain less than 24 hours.

(3) Correctional treatment centers shall maintain written service agreements with general acute care hospitals to provide for those inmate physical health needs that cannot be met by the correctional treatment center.

(4) Physician and surgeon services shall be readily available in a correctional treatment center on a 24-hour basis.

(5) It is not the intent of the Legislature to have a correctional treatment center supplant the facilities at the California Medical Facility, the California Men's Colony, and the California Institution for Men that were in the process of licensure in 1987.

(6) This subdivision as it applies to local agencies shall remain operative only until January 1, 1996.

(k) "Nursing facility" means a facility that is licensed as either of the following:

(1) Skilled nursing facility.

(2) Intermediate care facility.

(*l*) Regulations defining a correctional treatment center described in subdivision (j) that is operated by a county, city, or city and county, shall not become effective prior to, or if effective, shall be inoperative until January 1, 1996, and until that time correctional facilities are exempt from any licensing requirements.

SEC. 8. Section 853.6a of the Penal Code is amended to read:

853.6a. (a) Except as provided in subdivision (b), if the person arrested appears to be under the age of 18 years, and the arrest is for a violation listed in Section 256 of the Welfare and Institutions Code, the notice under Section 853.6 shall instead provide that the person shall appear before the juvenile court, a juvenile court referee, or a juvenile traffic hearing officer within the county in which the offense charged is alleged to have been committed, and the officer shall instead, as soon as practicable, file the duplicate notice with the prosecuting attorney unless the prosecuting attorney directs the officer to file the duplicate notice with the clerk of the juvenile court, the juvenile court referee, or the juvenile traffic hearing officer. If the notice is filed with the prosecuting attorney, within 48 hours before the date specified on the notice to appear, the prosecutor, within his or her discretion, may initiate proceedings by filing the notice or a formal petition with the clerk of the juvenile court, or the juvenile court referee or juvenile traffic hearing officer, before whom the person is required to appear by the notice.

(b) A juvenile court may exercise the option of not requiring a mandatory appearance of the juvenile before the court for infractions contained in the Vehicle Code, except those related to drivers' licenses as specified in Division 6 (commencing with Section 12500), those related to financial responsibility as specified in Division 7 (commencing with Section 16000), speeding violations as

specified in Division 11 (commencing with Section 21000) where the speed limit was violated by 15 or more miles per hour, and those involving the use or possession of alcoholic beverages as specified in Division 11 (commencing with Section 12500).

SEC. 9. Section 1831 of the Probate Code is repealed.

SEC. 10. The Legislature finds and declares that the efficiencies that would result from the enactment and adoption of Senate Constitutional Amendment 3 of the 1993–94 Regular Session would yield substantial cost savings to both counties and the state.

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 maximize cost savings to local governments, it is necessary that this act take effect immediately.

CHAPTER 71

An act to amend Sections 20751 and 20754 of the Government Code, relating to public retirement, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 20751 of the Government Code is amended to read:

20751. From the General Fund in the State Treasury there is appropriated annually, 12 months in arrears, on July 1 of each fiscal year, beginning July 1, 1994, to the Retirement Fund the state's contribution for:

(a) All state miscellaneous members and all other categories of members whose compensation is paid from the General Fund.

(b) All university members whose compensation is paid from funds of, or funds appropriated to, the university.

(c) All state miscellaneous members who are employed by the Department of Education or the Department of Rehabilitation and whose compensation is paid from the Vocational Education Federal Fund, the Vocational Rehabilitation Federal Fund, or any other fund received, in whole or in part, as a donation to the state under restrictions preventing its use for state contributions to the retirement system.

(d) All state miscellaneous members whose compensation is paid from the Senate Operating Fund or the Assembly Operating Fund or the Operating Funds of the Assembly and Senate.

SEC. 2. Section 20754 of the Government Code is amended to read:

20754. The board shall certify to the Controller at the end of each quarter or annual period, as appropriate, the total amount of compensation in respect to which state contributions are payable from the General Fund and each other fund in the State Treasury, and the Controller shall thereupon transfer the state's contribution from each fund, respectively, to the Retirement Fund. Compensation shall be included in the certification at the end of the month in which the member's contributions based upon it are paid.

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

In order that a response may be made to the current fiscal emergency of the state at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 72

An act to add Sections 17000.6 and 17030.1 to the Welfare and Institutions Code, relating to general assistance.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 17000.6 is added to the Welfare and Institutions Code, to read:

17000.6. (a) The board of supervisors of any county may adopt a standard of aid below the level established in Section 17000.5 if the Commission on State Mandates makes a finding that meeting the standards in Section 17000.5 would result in a significant financial distress to the county. When the commission makes a finding of significant financial distress concerning a county, the board of supervisors may establish a level of aid which is not less than 40 percent of the 1991 federal official poverty level, which may be further reduced pursuant to Section 17001.5 for shared housing. The commission shall not make a finding of significant financial distress unless the county has made a compelling case that, absent the finding, basic county services, including public safety, cannot be maintained.

(b) Upon receipt of a written application from a county board of supervisors, the commission may make a finding of financial distress for a period of up to 12 months pursuant to regulations that the commission shall adopt, that are necessary to implement this section. The period of reduction may be renewed annually by the

commission upon reapplication by the county.

(c) As part of the decisionmaking process, the commission shall notice and hold a public hearing on the county's application or reapplication in the county of application. The commission shall provide a 30-day notice of the hearing in the county of application or reapplication. The commission shall notify the applicant county of its preliminary decision within 60 days after receiving the application and final decision within 90 days after receiving the application.

(d) This section shall not be construed to eliminate the requirement that a county provide aid pursuant to Section 17000.

(e) Any standard of aid adopted pursuant to this section shall constitute a sufficient standard of aid.

(f) The commission may adopt emergency regulations for the implementation of this section.

SEC. 2. Section 17030.1 is added to the Welfare and Institutions Code, to read:

17030.1. Nothing in Section 10000, 17000, or 17001 or any other provision of law shall require any county or city and county to provide or pay for a service reduced or eliminated from the Medi-Cal program, pursuant to Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3, to a person otherwise eligible for care pursuant to this part.

CHAPTER 73

An act to add Chapter 6.5 (commencing with Section 30051) to Division 3 of Title 3 of the Government Code, and to amend Sections 7102 and 7285 of, to add Sections 6376.2, 7251.4, and 7285.3 to, and to add and repeal Sections 6051.6, 6201.6, and 7285.4 of, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The State of California faces a continuing and unprecedented fiscal crisis that requires the participation of every unit of government, state and local.

(b) This fiscal crisis compels the state to reexamine and restructure its fiscal relationship with local government.

(c) Even in this time of fiscal crisis, the Legislature acknowledges the critical importance of public safety services to the economic activity of the state and the prosperity and well-being of the state's

citizens.

(d) To this end, the Legislature declares its intent to provide on an interim basis revenue to counties and cities in order to assist in maintaining a sufficient level of public safety services and to promote a more orderly transition to the restructured state and local fiscal relationship.

SEC. 2. Chapter 6.5 (commencing with Section 30051) is added to Division 3 of Title 3 of the Government Code, to read:

CHAPTER 6.5. LOCAL PUBLIC SAFETY FUND

30051. The Local Public Safety Fund is hereby created in the State Treasury. The fund shall consist of the Interim Public Safety Account to receive all revenues deposited therein pursuant to paragraph (8) of, and the Public Safety Account to receive all those revenues deposited therein pursuant to paragraph (9) of, subdivision (a) of Section 7102 of the Revenue and Taxation Code. Moneys in the fund may only be appropriated for the purposes specified in Section 30052.

30052. (a) Notwithstanding Section 13340, the two accounts in the Local Public Safety Fund created in Section 30051 are hereby continuously appropriated, without regard to fiscal years, to the Controller for allocation to each qualified county in proportion to its share of the total taxable sales in all qualified counties during the prior calendar year as reported by the State Board of Equalization. The amounts so allocated shall be available only for public safety services, and shall be allocated in each qualified county in the manner and amount determined pursuant to Section 30054.

(b) For purposes of this chapter:

(1) "Public safety services" includes, but is not limited to, sheriffs, police, fire protection, county district attorneys, and county corrections. "Public safety services" does not include courts.

(2) "Qualified county" means:

(A) With respect to the Interim Public Safety Account, any county in which the board of supervisors, on or before August 1, 1993, adopts a resolution that does both of the following:

(i) Requests an allocation of revenue from the Local Public Safety Fund.

(ii) Ratifies the statewide imposition of an additional ½ percent rate of sales and use tax pursuant to Senate Constitutional Amendment 1 on the November 2, 1993, special election ballot.

(B) With respect to the Public Safety Account, any county in which the board of supervisors has adopted a resolution as described in subparagraph (A) or in which the tax levied pursuant to Section 35 of Article XIII of the California Constitution is approved by a majority of the county's voters voting on the issue at the November 2, 1993, special election.

30053. On or before the 27th day of each month, the Controller shall allocate to each qualified county the amounts deposited and

remaining unexpended and unresolved in the Local Public Safety Fund on the 15th day of each month as provided in Section 30052.

30054. (a) The amounts allocated pursuant to Sections 30052 and 30053 shall be available only for public safety services, and shall be allocated in each qualified county to local agencies as provided in subdivision (b).

(b) (1) Each county shall create a Public Safety Augmentation Fund that shall consist of all revenues received by the county as a result of the allocations pursuant to Sections 30052 and 30053.

(2) Except as provided in paragraph (3), for the 1993–94 fiscal year and each fiscal year thereafter, the augmentation fund described in paragraph (1) shall be allocated among the county and each city in the county that provides public safety services as follows:

(A) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.035 of the Revenue and Taxation Code for the 1993–94 fiscal year less the amount of vehicle license fee revenues allocated to the city pursuant to Section 11005.4 of the Revenue and Taxation Code for the 1993–94 fiscal year and the denominator of which shall be the amount of revenue shifted from all cities in the county and from the county to the Educational Revenue Augmentation Fund pursuant to Section 97.035 for the 1993–94 fiscal year less the amount of vehicle license fee revenues allocated to the county and all cities in the county pursuant to Section 11005.4 of the Revenue and Taxation Code for the 1993–94 fiscal year.

(B) The auditor shall multiply the amount in the augmentation fund by the allocation factor determined in subparagraph (A) for each city. The amount so computed shall be allocated to each respective city subject to the limitation in subparagraph (C).

(C) Notwithstanding subparagraph (B), the amount of funds that may be allocated to a city shall not exceed 50 percent of the difference between the following:

(i) The amount by which the city's allocation of property tax revenues was reduced pursuant to Section 97.035 of the Revenue and Taxation Code.

(ii) The amount of vehicle license fee revenues allocated to the city pursuant to Section 11005.4 of the Revenue and Taxation Code.

(3) Notwithstanding paragraph (2), for the 1993–94 fiscal year and each fiscal year thereafter, the amount in the augmentation fund described in paragraph (1) of each county described in subparagraph (C) shall be allocated to the cities in the county that provide public safety services as follows:

(A) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Fund pursuant to Section 97.035 of the Revenue and Taxation Code for the 1993–94 fiscal year and the denominator of which shall be the amount of revenue shifted from all cities in the county to the Educational

Revenue Augmentation Fund pursuant to Section 97.035 for the 1993–94 fiscal year.

(B) The auditor shall multiply 5 percent of the amount in the augmentation fund described in paragraph (1) by the allocation factor determined in subparagraph (A). The amount so computed shall be allocated to each respective city.

(C) This paragraph applies only to the Counties of Fresno, Kings, Merced, San Bernardino, San Diego, San Joaquin, Solano, and Yolo.

(D) This paragraph shall apply to a particular county described in subparagraph (C) only if the total amount allocated under this paragraph to all of the cities therein that provide public safety services is less than the amount that would otherwise be allocated to all of those cities pursuant to paragraph (2).

(4) All funds not allocated to any city within the county pursuant to paragraph (2) or (3) shall be allocated to the county.

SEC. 3. Section 6051.6 is added to the Revenue and Taxation Code, to read:

6051.6. (a) In addition to the taxes imposed by Sections 6051, 6051.2, 6051.3, and any other provision of this part, for the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of ½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this state on and after July 1, 1993.

(b) This section shall cease to be operative on January 1, 1994.

(c) This section shall remain in effect only until January 1, 1995, and as of that date is repealed.

SEC. 4. Section 6201.6 is added to the Revenue and Taxation Code, to read:

6201.6. (a) In addition to the taxes imposed by Section 6201, 6201.2, 6201.3, and any other provision of this part, an excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer on or after July 1, 1993, for storage, use, or other consumption in this state at the rate of ½ percent of the sales price of the property.

(b) This section shall cease to be operative on January 1, 1994.

(c) This section shall remain in effect only until January 1, 1995, and as of that date is repealed.

SEC. 5. Section 6376.2 is added to the Revenue and Taxation Code, to read:

6376.2. From July 1, 1993, to the date on which the taxes imposed by Sections 6051.6 and 6201.6 cease to be operative, there are exempted from the taxes imposed by this part an amount equal to an amount that is attributable to a ½ percent rate of tax with respect to the following:

(a) The gross receipts from the sale of, and the storage, use, or other consumption in this state of, the following:

(1) Tangible personal property, if the seller is obligated to furnish or the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to July 1, 1993.

(2) Materials and fixtures obligated pursuant to an engineering construction contract or a building construction contract entered into for a fixed price prior to July 1, 1993.

For purposes of this subdivision, tangible personal property shall not be deemed obligated pursuant to a contract for any period of time for which any party to the contract has the right to terminate the contract upon notice, whether or not the right is exercised.

(b) A lease of tangible personal property that is a continuing sale of the property for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to July 1, 1993. For purposes of this subdivision, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not that right is exercised.

(c) The possession of, or the exercise of, any right or power over tangible personal property pursuant to a lease that is a continuing purchase of the property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease entered into prior to July 1, 1993. For purposes of this subdivision, the storage, use, or other consumption of, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not the right is exercised.

SEC. 6. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, and pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the 4 ¾-percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(2) All revenues, less refunds, derived under this part at the 4¾-percent rate, resulting from increasing after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Transportation Planning and

Development Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the 4¾-percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(4) All revenues, less refunds, derived under this part from a rate of more than 4¾ percent pursuant to Sections 6051.1 and 6201.1 for the period December 1, 1989, to June 5, 1990, inclusive, shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(5) All revenues, less refunds, derived under this part from a rate of more than 4¾ percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of tangible personal property other than fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(6) All revenues, less refunds, derived under this part from a rate of more than 4¾ percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(7) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(8) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.6 and 6201.6 shall be transferred to the Interim Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the

transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be made quarterly.

(d) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

SEC. 7. Section 7251.4 is added to the Revenue and Taxation Code, to read:

7251.4. Notwithstanding Section 7251.1, the combined rate of all taxes imposed pursuant to this part in the City and County of San Francisco shall not exceed a rate that is .25 percent in excess of the maximum rate otherwise allowed under Section 7251.1.

SEC. 8. Section 7285 of the Revenue and Taxation Code is amended to read:

7285. The board of supervisors of any county may levy a transactions and use tax at a rate of 0.25 percent or a multiple thereof, if the ordinance or resolution proposing that tax is approved by a two-thirds vote of all members of the board of supervisors and the tax is approved by a majority vote of the qualified voters of the county voting in an election on the issue. The board of supervisors may levy more than one transaction and use tax under this section, if the adoption of each tax is in the manner prescribed in this section. The transactions and use tax shall conform to Part 1.6 (commencing with Section 7251).

SEC. 9. Section 7285.3 is added to the Revenue and Taxation Code, to read:

7285.3. Except as provided in Section 7251.3, the combined rate of all taxes imposed in any county pursuant to this chapter and pursuant to Part 1.6 (commencing with Section 7251) shall not exceed the rate specified in Section 7251.1.

SEC. 10. Section 7285.4 is added to the Revenue and Taxation Code, to read:

7285.4. (a) Notwithstanding Section 7265 or 7288.4, or any other provision of law, the imposition of any tax that is levied by an ordinance enacted pursuant to the authority of Section 7285 or Part 1.7 (commencing with Section 7288.1) and approved by the voters at the election to be held on November 2, 1993, may commence on or after January 1, 1994.

(b) This section shall remain in effect only until January 1, 1995, and as of that date is repealed.

SEC. 11. (a) Revenues collected pursuant to Sections 6051.6 and 6201.6 of the Revenue and Taxation Code and deposited in the Interim Public Safety Account in the Local Public Safety Fund shall not be considered any of the following:

(1) "General Fund proceeds of taxes which may be appropriated pursuant to Article XIII B" as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(2) Any part of "General Fund proceeds of taxes appropriated pursuant to Article XIII B of the California Constitution," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(3) Any part of "local proceeds of taxes," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(4) Any part of "General Fund revenues," as used in subdivisions (b), (c), and (e) of Section 8 of Article XVI of the California Constitution.

(5) Any part of "General Fund moneys," as used in subdivision (d) of Section 8 of Article XVI of the California Constitution.

(b) The Legislature finds and declares that state and local governments are faced with a continuing fiscal crisis that continues to strain the resources of state and local government. The Legislature further finds and declares that counties require immediate interim fiscal assistance to provide necessary public safety services. The provisions of this act are necessary to provide that assistance and to avoid substantial reductions in other state and local services. Pursuant to the authority of subdivision (h) of Section 8 of Article XVI of the California Constitution, the Legislature hereby suspends for the 1993–94 fiscal year subdivision (b) of Section 8 of Article XVI of the California Constitution to the extent those provisions conflict with this act and only with respect to interim fiscal aid provided for the 1993–94 fiscal year, except that subparagraph (B) of paragraph (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution is not suspended.

SEC. 12. Notwithstanding any other provision of law, all ballots for the November 2, 1993, special election for Senate Constitutional Amendment 1 of the 1993–94 Regular Session shall have printed thereon, in a square thereof, the words:

"Local Public Safety Protection and Improvement Act of 1993" and in the same square under those words, the following in 8-point type:

"This measure would provide a dedicated revenue source for public safety purposes. Revenue would be distributed to cities and counties for purposes such as police, sheriffs, fire, criminal prosecution and corrections. If this measure is approved by the voters, the tax would be collected in all counties. However, a county would be eligible to receive tax revenues beginning January 1, 1994, only if the board of supervisors votes to participate or voters within the county approve the measure by majority vote."

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

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

In order to help resolve on an interim basis an unprecedented fiscal crisis by providing for state assistance in funding of the operation of public safety services as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 74

An act to repeal Sections 17053.20 and 23615 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. Section 17053.20 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 23615 of the Revenue and Taxation Code is repealed.

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

CHAPTER 75

An act to amend Sections 7093.5, 7204.3, 7273, and 19442 of, to amend and repeal Sections 19133 and 25782 of, and to repeal Sections 17053.20 and 23615 of, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The Auditor General prepared a report in March 1992, entitled "The Board of Equalization Needs To Adjust Its Model For Setting Reimbursement Rates For Special Tax Jurisdictions."

(b) This report made recommendations to ensure that special tax jurisdictions pay an equitable reimbursement amount to the State Board of Equalization for the administration of local transactions and use taxes. These recommendations suggest that the State Board of Equalization take the following actions:

(1) Exclude the costs for registering taxpayers, processing returns, auditing accounts, and collecting taxes receivable that are related to counties that do not have special tax jurisdictions from costs that are shared between the state, cities and counties, and special tax jurisdictions.

(2) Use a workload standard basis for allocating costs between special tax jurisdictions located in counties with one special tax jurisdiction and special tax jurisdictions located in counties with more than one special tax jurisdiction.

(3) Incorporate an adjustment mechanism into the model that considers the over or under collection of reimbursed amounts.

(c) The amendments to Section 7204.3 of the Revenue and Taxation Code made by this act are intended to implement recommendations made in the Auditor General's report.

(d) Chapter 85 of the Statutes of 1991 increased the state sales and use tax and imposed a tax for allocation to cities and counties as part of state and local program realignment. Despite the fact that local government is benefiting from the increase in taxes, the state is assuming the entire incremental costs of administration. Neither the costs nor revenues raised are to be considered in distributing the remaining costs of the State Board of Equalization to the state local entities under the provisions of this act.

SEC. 2. Section 7093.5 of the Revenue and Taxation Code is amended to read:

7093.5. (a) (1) In addition to the authority provided by Section 7093 and subject to paragraph (2), the executive director or chief counsel, if authorized by the executive director, of the board may recommend to the State Board of Equalization, itself, a settlement of any civil tax matter disputes.

(2) No recommendation of settlement shall be submitted to the board unless and until that recommendation has been submitted by the executive director or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the

executive director or chief counsel of the board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive director or chief counsel shall, with each recommendation of settlement submitted to the board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive director of the board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive director or chief counsel in accordance with the decision of the board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the board. Where the board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive director or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the board itself pursuant to a settlement as described in this section shall be conducted in a

closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Section 7056.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the board in implementing and administering the settlement program authorized by this section.

SEC. 3. Section 7204.3 of the Revenue and Taxation Code is amended to read:

7204.3. The board shall charge a city, city and county, redevelopment agency, or county an amount for the board's services in administering the sales and use tax ordinance of the local entity, as determined by the board with the concurrence of the Department of Finance, as follows:

(a) Beginning with the 1993–94 fiscal year, the amount charged shall be based on the total local entity cost reflected in the annual Budget Act. This amount comprises the categories of direct, shared, and central agency costs incurred by the board and shall include the following:

(1) The amount charged to each entity shall be based on the recommendations incorporated in the March 1992 report by the Auditor General entitled "The Board of Equalization Needs To Adjust Its Model For Setting Reimbursement Rates For Special Tax Jurisdictions."

(2) The amount charged may be adjusted in the current fiscal year to reflect the difference between the board's budgeted costs and any significant revised estimate of costs. Any adjustment shall be subject to budgetary controls included in the Budget Act. Prior to any adjustment, the Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee not later than 30 days prior to the effective date of the adjustment.

(3) For the 1995–96 fiscal year and each fiscal year thereafter, the amount charged shall be adjusted to reflect the difference between the board's recovered costs and the actual costs incurred by the board during the fiscal year two years prior.

The amounts determined by subdivision (a) shall be deducted in equal amounts from the quarterly allocation of taxes collected by the board for the city, city and county, redevelopment agency, or county.

SEC. 4. Section 7273 of the Revenue and Taxation Code is amended to read:

7273. In addition to the amounts otherwise provided for

preparatory costs, the board shall charge an amount for its services in administering the transactions and use tax determined by the board with the concurrence of the Department of Finance, as follows:

(a) Beginning with the 1993–94 fiscal year, the amount charged shall be based on the total special taxing jurisdiction costs reflected in the annual Budget Act. This amount comprises the categories of direct, shared, and central agency costs incurred by the board and shall include the following:

(1) The amount charged to each entity shall be based on the recommendations incorporated in the March 1992, report by the Auditor General entitled "The Board of Equalization Needs To Adjust Its Model For Setting Reimbursement Rates For Special Tax Jurisdictions."

(2) The amount charged may be adjusted in the current fiscal year to reflect the difference between the board's budgeted costs and any significant revised estimate of costs. Any adjustment shall be subject to budgetary controls included in the Budget Act. Prior to any adjustment, the Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee not later than 30 days prior to the effective date of the adjustment.

(3) For the 1995–96 fiscal year and each fiscal year thereafter, the amount charged shall be adjusted to reflect the difference between the board's recovered costs and the actual costs incurred by the board during the fiscal year two years prior.

(b) The board shall notify districts by June 1 of the amount that it anticipates will be assessed for the next fiscal year. The districts shall be notified of the actual amounts that will be assessed within 30 days after enactment of the Budget Act for that fiscal year.

(c) The amount charged a transactions and use tax district which becomes operative during the fiscal year shall be estimated for that fiscal year based on that district's proportionate share of direct, indirect, and shared costs.

(d) The amounts determined by subdivision (a) shall be deducted in equal amounts from the quarterly allocation of taxes collected by the board for a given district.

SEC. 5. Section 17053.20 of the Revenue and Taxation Code is repealed.

SEC. 6. Section 19133 of the Revenue and Taxation Code is amended to read:

19133. (a) (1) Subject to paragraph (2), the executive officer or chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter disputes.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in

writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the Franchise Tax Board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be

conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19281) of Chapter 21.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the Franchise Tax Board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

(h) This section shall remain in effect until January 1, 1994, and as of that date is repealed.

SEC. 7. Section 19442 of the Revenue and Taxation Code, as added by Chapter 31 of the Statutes of 1993, is amended to read:

19442. (a) (1) Subject to paragraph (2), the executive officer or chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter disputes.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the Franchise Tax Board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure, that if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19542) of Chapter 7.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the Franchise Tax Board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

SEC. 8. Section 23615 of the Revenue and Taxation Code is repealed.

SEC. 9. Section 25782 of the Revenue and Taxation Code is amended to read:

25782. (a) (1) Subject to paragraph (2), the executive officer or chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter dispute.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the Franchise Tax Board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record shall include, but need not be limited to, all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19281) of Chapter 21.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the Franchise Tax Board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

(h) This section shall remain in effect until January 1, 1994, and as of that date is repealed.

SEC. 10. The sum of two million five hundred eleven thousand dollars ($2,511,000) is hereby appropriated from the General Fund to the Department of Finance for allocation to the following agencies to reimburse them for costs incurred in implementing this act:

(a) To the Franchise Tax Board, in an amount equal to one million seven hundred thousand dollars ($1,700,000).

(b) To the State Board of Equalization, in an amount equal to five hundred eleven thousand dollars ($511,000).

(c) To the Department of Justice, in an amount equal to three hundred thousand dollars ($300,000).

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 help resolve as soon as possible an unprecedented fiscal crisis and meet the urgent needs of the state and local governments in light of current shortfall in state revenues, it is necessary that this act take effect immediately.

CHAPTER 76

An act to make an appropriation in augmentation of Items 9840-001-001, 9840-001-494, and 9840-001-988 of Section 2.00 of the Budget Act of 1992, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 30, 1993. Filed with Secretary of State June 30, 1993.]

I am reducing the non-Proposition 98 General Fund appropriation contained in Section 1(a) 1 of Senate Bill No. 543 by a net amount of $112,768,000 to reflect more recent estimates of need.

Reductions can be made for the following six programs:

The Health Services' deficiency for utilization of Medi-Cal benefits is lower than originally estimated by $60,580,000.

Funding requirements for social services SSI/SSP program deficiency is lower than originally estimated by $33,886,000.

The deficiency of $19,000,000 for the Renters' Tax Relief program is no longer necessary.

The Correction's deficiency for custody and support staff can be reduced by $5,115,000.

The Health Services deficiency of $1,665,000 for Family Health Programs is no longer necessary.

The Social Services' deficiency for the Community Care Licensing program can be lowered by $49,000.

I have offset a portion of the above reductions by the following increased needs:

An additional $6,071,000 is needed for the Board of Equalization to fund a shortfall in reimbursements from local government.

An additional $1,033,000 is needed for the Military Department for funding civil disturbance preparation costs.

An additional $423,000 is needed for the Department of Rehabilitation's Support Employment Programs.

With these net reductions of $112,768,000, I approve Senate Bill No. 543.

PETE WILSON, Governor

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

SECTION 1. (a) The sum of six hundred seventy-nine million seven hundred forty-six thousand dollars ($679,746,000) is hereby appropriated for expenditure in the 1992–93 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 1992, in accordance with the following schedule:

(1) Six hundred sixty million one hundred twenty-seven thousand dollars ($660,127,000) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001.

(2) Sixteen million four hundred sixty-six thousand dollars ($16,466,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(3) Three million one hundred fifty-three thousand dollars ($3,153,000) 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 the expenditure of funds provided in this section until such time as, and

to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 2. 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 77

An act to add Section 2718 to the Business and Professions Code, relating to nursing.

[Approved by Governor July 1, 1993. Filed with Secretary of State July 1, 1993.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Various and conflicting definitions of clinical nurse specialists are being created and applied by public agencies and private employers within the State of California.

(b) Federal law has acknowledged the existence of clinical nurse specialists as advanced practice nurses, but has deferred to the states the responsibility to recognize these highly expert registered nurses.

(c) The public may be harmed by conflicting usage of the title clinical nurse specialist and lack of corresponding qualifications for registered nurses using that title.

(d) The public interest would be served by determining the legitimate uses of the title "clinical nurse specialist" by registered nurses.

SEC. 2. Section 2718 is added to the Business and Professions Code, to read:

2718. (a) The board shall conduct a study regarding the recognition and definition of clinical nurse specialists. The board shall report the results of the study to the Legislature on or before January 1, 1995. The study shall address all of the following:

(1) The appropriate educational level for clinical nurse specialists, including clinical and didactic education and experience.

(2) The alternative means for measuring and ensuring competency of clinical nurse specialists.

(3) Means for protecting the public from confusion regarding use and misuse of the title "clinical nurse specialist".

(4) Barriers to practice facing clinical nurse specialists.

(5) The relationship of clinical nurse specialists to other relevant health professionals, including, but not limited to, physicians and surgeons, and other registered nurses.

(b) In conducting the study, the board shall consult with clinical nurse specialists, the statewide professional association representing

registered nurses, physicians and surgeons who have experience working with clinical nurse specialists, employers of clinical nurse specialists, and other interested parties as determined by the board.

CHAPTER 78

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

[Approved by Governor July 1, 1993. Filed with Secretary of State July 1, 1993.]

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

SECTION 1. (a) The sum of ten million five hundred thousand dollars ($10,500,000) is hereby appropriated from the General Fund to Section A of the State School Fund, without regard to fiscal year, for apportionment by the Superintendent of Public Instruction to the Compton Unified School District for the purpose of an emergency loan. In order to qualify for that loan, the district shall comply with Article 2.5 (commencing with Section 41325) of Chapter 3 of Part 24 of the Education Code and the conditions stipulated in this act.

(b) With the exception of funds that may be needed by the district to meet its cash obligations, as described in subdivision (c), no funds shall be disbursed from the proceeds of the loan until the conditions set forth in Section 41327 of the Education Code have been met.

(c) Based on the needs of the district to meet its cash obligations, the Superintendent of Public Instruction may direct the Controller to disburse, on a monthly basis, specific amounts of the emergency loan prior to the approval of all the conditions established by this act. Notwithstanding subparagraph (A) of paragraph (2) of subdivision (a) of Section 41327 of the Education Code, the emergency loan shall be repaid to the state over a period of no more than eight years. The Superintendent of Public Instruction shall establish a repayment schedule consistent with subparagraph (A) of paragraph (2) of subdivision (a) of Section 41327 of the Education Code, together with interest at a rate based on the most current investment rate of the Pooled Money Investment Account as of the date of the disbursement of funds to the district.

(d) Because of the fiscal emergency in which the district finds itself, the Legislature finds and declares that it is necessary for the Superintendent of Public Instruction to appoint an administrator immediately. In addition, the Superintendent of Public Instruction may contract for the services of one or more persons having legal, accounting, labor negotiation, or other expertise as necessary to assist the administrator-district trustee. In order to facilitate the appointment process, the State Department of Education is exempt

from Part 2 (commencing with Section 10100) of the Public Contract Code and Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code when contracting for the services of an administrator and other persons as described in this subdivision.

(e) Notwithstanding Article 6 (commencing with Section 45240) of Chapter 5 of Part 25 of the Education Code, the administrator appointed pursuant to this section shall assume all the legal rights, duties, and powers of the Personnel Commission of the Compton Unified School District. The existing Personnel Commission of the Compton Unified School District shall provide advice and assistance to the administrator appointed pursuant to this section.

(f) The Legislature finds and declares that it is not realistic to believe that all of the district's fiscal problems may be solved immediately. During the two years immediately following the district's initial receipt of proceeds from this emergency loan, the Superintendent of Public Instruction, after consultation with the Los Angeles County Superintendent of Schools, may approve the use of timelines and criteria and standards for the submission and review of the district's budget, interim reports, and other financial reports required of the district, that vary from the timelines, criteria, and standards required pursuant to Sections 33127, 41020, and 42127 to 42130, inclusive, of the Education Code, as necessary to accomplish the full fiscal recovery of the district.

SEC. 2. As a condition of the acceptance of any or all of the proceeds of the emergency loan provided pursuant to Section 1 of this act, the administrator appointed pursuant to Section 1 of this act and Section 41326 of the Education Code shall report to the Legislature by no later than January 1, 1994, on implementation of recommendations contained in the "Report of Priority Corrective Actions for Compton Unified School District" issued May 4, 1993, pursuant to Assembly Bill No. 2503 (Chapter 1046, Statutes of 1992). The administrator shall specifically address actions taken by the district to do all of the following:

(a) Improve educational services to limited-English-proficient pupils.

(b) Improve communication with Latino parents of pupils.

(c) Recruit and hire culturally sensitive personnel that are reflective of the district's cultural and ethnic diversity.

SEC. 3. Due to unique circumstances relating to the fiscal emergency in the Compton 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.

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. Notwithstanding Section 17580 of the

Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to 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 address the fiscal emergency in which the Compton Unified School District finds itself and to ensure that it meets its cash obligations for this fiscal year, it is necessary that this act take effect immediately.

CHAPTER 79

An act to repeal Section 25100.1 of the Corporations Code, relating to securities.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 25100.1 of the Corporations Code is repealed.

SEC. 2. Notwithstanding the repeal of Section 25100.1 of the Corporations Code, it is the express intent of the Legislature that a national securities exchange or interdealer quotation system seeking certification from the Commissioner of Corporations under subdivision (o) of Section 25100 of the Corporations Code adopt corporate governance listing standards or criteria, including voting rights listing standards or criteria, consistent with the standards or criteria adopted by previously certified entities and in addition to the requirements set forth in subdivision (o) of Section 25100. The Legislature also intends, notwithstanding the repeal of Section 25100.1, that previously certified entities under subdivision (o) of Section 25100 routinely review the quantitative and the qualitative listing, delisting, and maintenance standards or criteria to enhance investor protection.

CHAPTER 80

An act to make an appropriation in augmentation of Item 9840-001-494 of Section 2.00 of the Budget Act of 1992, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. (a) The sum of fourteen million three hundred forty-two thousand dollars ($14,342,000) is hereby appropriated for expenditure in the 1992–93 fiscal year in augmentation of, and for the purposes of, contingencies or emergencies as provided in Item 9840-001-494 of Section 2.00 of the Budget Act of 1992 from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(b) The Director of Finance may withhold authorization for the expenditure of funds provided in this section until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 2. 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 81

An act to add Section 4703.2 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 4703.2 is added to the Revenue and Taxation Code, to read:

4703.2. (a) In any county electing to follow the procedure authorized by this chapter, the board of supervisors may, by September 1 of any fiscal year, on the recommendation of the county auditor, adopt a resolution electing to be governed by this section rather than the provisions of Section 4703. Upon adoption, a copy of this resolution shall be filed with the county auditor, the county treasurer, and the county tax collector. This election shall remain in effect each fiscal year unless the board of supervisors adopts another resolution by September 1 of a fiscal year electing to be governed

instead by Section 4703. For the 1993–94 fiscal year only, the election to be governed by this section rather than Section 4703 may be made no later than January 15, 1994.

(b) In each county that elects to adopt the procedure authorized by this chapter and elects to be governed by this section rather than Section 4703 there shall be created a tax losses reserve fund.

(c) The tax losses reserve fund shall be used exclusively, as hereinafter provided, to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. In a county electing to be subject to this section rather than Section 4703, the tax losses reserve fund shall be maintained at not less than 50 percent of the total delinquent secured taxes and assessments as calculated at the end of the fiscal year. At the end of the fiscal year, amounts in the tax losses reserve fund that are in excess of 50 percent of the total delinquent secured taxes and assessments shall be credited to the county general fund.

(d) The auditor and treasurer shall keep apportioned tax resources accounts in such a manner that the balance of amounts apportioned to funds on an accrual basis shall be known by both officers. In addition, the auditor shall keep secured taxes receivable accounts in such a manner as to establish accountability for the amounts receivable on the secured tax rolls. Secured tax rolls as used in this chapter include delinquent rolls prescribed by Section 2627.

CHAPTER 82

An act to amend Section 18437 of the Financial Code, relating to industrial loan companies.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 18437 of the Financial Code is amended to read:

18437. (a) Except as provided in subdivision (b), an industrial loan company shall not make loans to, or purchase any obligations from, persons who do not reside or have a place of business in the State of California, unless those loans or obligations comply with all of the following conditions:

(1) If the loan or obligation is unsecured, then only if the loan or obligation bears the unqualified written guaranty of a financially responsible person, considering the amount of the obligation, who resides or has a place of business in the State of California.

(2) If the documents and security for the loan or obligation and all records relating to the transaction are in California at the time the loan or obligation is made or acquired and are thereafter kept in

California while the loan or obligation remains unsatisfied, except that where the security is aircraft, the security need not be in California at the time the loan or obligation is made or acquired, nor need it thereafter be held in California while the loan or obligation remains unsatisfied.

(b) Notwithstanding subdivision (a), an industrial loan company may make loans to, or purchase any obligations from, persons who do not reside or have a place of business in the State of California not to exceed 20 percent, in the aggregate, of a company's total assets. Upon application to and approval by the commissioner, an industrial loan company may increase its loans to, or purchases of, obligations from persons who do not reside or have a place of business in this state not to exceed 30 percent, in the aggregate, of a company's total assets. The application shall include all of the following information:

(1) A description of the company's proposed plan of business.

(2) The character, business qualifications, and other experience of the proposed officers and managers directing the line of business for which authorization is requested.

(3) Any other facts and circumstances bearing on the proposal that, as determined by the commissioner, may be relevant.

(c) This section does not apply to loans made to, or acquired from, persons who do not reside or have a place of business in this state if all of the following conditions are met:

(1) The loans are for the purchase or refinance of single- or multi-family residential property.

(2) The loans are saleable in the secondary market as evidenced by commitments to buy by a buyer in the secondary market.

(3) The loans are owned by the industrial loan company for 90 days or less.

CHAPTER 83

An act to amend Section 830.31 of the Penal Code, relating to peace officers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 830.31 of the Penal Code is amended to read:

830.31. The following persons are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty or when making an arrest pursuant to Section 836 as to any public offense with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of

that offense, or pursuant to Section 8597 or 8598 of the Government Code. These peace officers may carry firearms only if authorized, and under the terms and conditions specified, by their employing agency.

(a) A safety police officer of the County of Los Angeles, if the primary duty of the officer is the enforcement of the law in or about properties owned, operated, or administered by his or her employing agency or when performing necessary duties with respect to patrons, employees, and properties of his or her employing agency.

(b) A person designated by a local agency as a park ranger and regularly employed and paid in that capacity, if the primary duty of the officer is the protection of park and other property of the agency and the preservation of the peace therein.

(c) (1) A security officer of the Department of General Services of the City of Los Angeles designated by the general manager of the department, if the primary duty of the officer is the enforcement of the law in or about properties owned, operated, or administered by his or her employing agency or when performing necessary duties with respect to patrons, employees, and properties of his or her employing agency. Notwithstanding any other law, a peace officer designated by this subdivision shall not be authorized to carry firearms, except as provided in paragraph (2).

(2) Notwithstanding paragraph (1), a peace officer designated by this subdivision may be authorized to carry firearms when a local emergency, as defined in subdivision (c) of Section 8558 of the Government Code, has been proclaimed pursuant to Section 8630 of the Government Code, and as provided in Chapter 3, Section 8.29, of the Administrative Code of the City of Los Angeles. The authorization to carry firearms pursuant to this paragraph shall be approved by the mayor, and shall continue only while the local emergency remains in effect.

(3) A peace officer designated by, and authorized to carry firearms pursuant to, this subdivision shall satisfactorily complete the introductory course of firearm training required by Section 832 and any crowd and riot control training prescribed by the Commission on Peace Officer Standards and Training, and shall requalify in the use of firearms every six months.

(d) A housing authority patrol officer 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, if the primary duty of the officer is the enforcement of the law in or about properties owned, operated, or administered by his or her employing agency or when performing necessary duties with respect to patrons, employees, and properties of his or her employing agency.

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

In order to provide personal and property protection for the

employees and property of the City of Los Angeles and the public who use city facilities and services, it is necessary that this act take effect immediately.

CHAPTER 84

An act to amend Section 51207 of the Government Code, relating to agricultural land.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 51207 of the Government Code is amended to read:

51207. (a) On or before May 1 of each year, the Department of Conservation shall report to the Legislature regarding the implementation of this chapter by cities and counties.

(b) The report shall contain, but not be limited to, the number of acres of land under contract in each category and the number of acres of land which were removed from contract through cancellation, eminent domain, annexation, or nonrenewal.

(c) The report shall also contain the following specific information relating to not less than one-third of all cities and counties participating in the Williamson Act program:

(1) The number of contract cancellation requests for which notices of hearings were mailed to the Director of Conservation pursuant to Section 51284 which were approved by boards or councils during the prior year or for which approval is still pending by boards or councils.

(2) The amount of cancellation fees payable to the county treasurer as deferred taxes and which are required to be transmitted to the Controller pursuant to subdivision (d) of Section 51283 which have not been collected or which remain unpaid.

(3) The total number of acres covered by certificates of cancellation of contracts during the previous year.

(4) The number of nonrenewal and withdrawal of renewal notices received pursuant to Section 51245 and the number of expiration notices received pursuant to Section 51246 during the previous year.

(5) The number of acres covered by nonrenewal notices that were not withdrawn and expiration notices during the previous year.

(d) The department may recommend changes to this chapter which would further promote its purposes.

(e) The Legislature may, upon request of the department, appropriate funds from the deferred taxes deposited in the General Fund pursuant to subdivision (d) of Section 51283 in an amount

sufficient to prepare the report required by this section.

CHAPTER 85

An act to amend Section 23824 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 23824 of the Business and Professions Code is amended to read:

23824. Limitations provided by Section 23816 on the number of licensed premises shall not apply to premises owned by the State of California, any incorporated city, county, city and county, airport district, or other district or public corporation of the State of California or to premises leased to any city or county, so long as any such premises are operated as a bona fide public eating place, provided, however, that civic auditoriums owned by any incorporated city, county, city and county, or other district or any premises leased to any county or city for use as a civic auditorium and directly operated by a public entity shall be subject to the limitations provided by Section 23816, but shall not be required to be operated as a bona fide public eating place. Such civic auditorium shall further not be subject to the provisions of Section 23793.

Licenses issued on premises owned by the state, incorporated city, county, city and county, airport district, or other district or public corporation of the State of California, or issued on premises leased to any county or city, shall be renewable as set forth in Section 24048. These licenses shall be excluded from the number of premises used in determining application of the limitations provided by this article. These licenses shall be subject to an original fee of six thousand dollars ($6,000) and shall be only transferable from person to person at the same premises. Prior to the issuance of these licenses, the governmental agency owning or the county or city leasing the premises shall file with the department a written request that the license be issued and a written statement setting forth the reasons why issuance of the license would be in the public interest.

A written request filed with the department by the governmental agency owning or the city or county leasing premises used as a civic auditorium and directly operated as a public entity that the license be issued need not contain a written statement setting forth the reasons why issuance of the license would be in the public interest.

Funds derived from fees collected pursuant to the amendments made to this section at the 1975–76 Regular Session of the Legislature

shall be deposited in 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:

The stable, uninterrupted, and orderly marketing of alcoholic beverages at premises on public properties, including the state's airports, is vital to the economic well-being of the state. Without the ability of these premises to remain licensed and in operation, the services provided to the traveling public, the jobs created by these operations, and the revenue generated, would all be lost, and as a consequence, the public health and welfare would be in jeopardy.

CHAPTER 86

An act to amend Section 4024.2 of the Penal Code, relating to work release.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 4024.2 of the Penal Code is amended to read:

4024.2. (a) Notwithstanding any other law, the board of supervisors of any county may authorize the sheriff or other official in charge of county correctional facilities to offer a voluntary program under which any person committed to the facility may participate in a work release program pursuant to criteria described in subdivision (b), in which one day of participation will be in lieu of one day of confinement.

(b) The criteria for a work release program are the following:

(1) The work release program shall consist of any of the following:

(A) Manual labor to improve or maintain levees or public facilities, including, but not limited to, streets, parks, and schools.

(B) Manual labor in support of nonprofit organizations, as approved by the sheriff or other official in charge of the correctional facilities. As a condition of assigning participants of a work release program to perform manual labor in support of nonprofit organizations pursuant to this section, the board of supervisors shall obtain workers' compensation insurance which shall be adequate to cover work-related injuries incurred by those participants, in accordance with Section 3363.5 of the Labor Code.

(C) Any person who is not able to perform manual labor as specified in subparagraph (A) or (B) because of a medical condition, physical disability, or age, may participate in a work release program involving any other type of public sector work that is designated and

approved by the sheriff or other official in charge of county correctional facilities.

(2) In addition, the sheriff or other official may permit a prisoner participating in a work release program to receive work release credit for participation in education, vocational training, or substance abuse programs in lieu of performing labor in a work release program on an hour-for-hour basis. However, credit for that participation may not exceed one-half of the hours established for the work release program, and the remaining hours shall consist of labor described in paragraph (1).

(3) The work release program shall be under the direction of a responsible person appointed by the sheriff or other official in charge.

(4) The hours of labor to be performed pursuant to this section shall be uniform for all persons committed to a facility in a county and may be determined by the sheriff or other official in charge of county correctional facilities, and each day shall be a minimum of 8 and a maximum of 10 hours, in accordance with the normal working hours of county employees assigned to supervise the programs. However, reasonable accommodation may be made for participation in a program under paragraph (2).

As used in this section, "nonprofit organizations" means organizations established or operated for the benefit of the public or in support of a significant public interest, as set forth in Section 501(c)(3) of the Internal Revenue Code. Organizations established or operated for the primary purpose of benefiting their own memberships are specifically excluded.

(c) The board of supervisors may prescribe reasonable rules and regulations under which a work release program is operated and may provide that participants wear clothing of a distinctive character while performing the work. As a condition of participating in a work release program, a person shall give his or her promise to appear for work or assigned activity by signing a notice to appear before the sheriff or at the education, vocational, or substance abuse program at a time and place specified in the notice and shall sign an agreement that the sheriff may immediately retake the person into custody to serve the balance of his or her sentence if the person fails to appear for the program at the time and place agreed to, does not perform the work or activity assigned, or for any other reason is no longer a fit subject for release under this section. A copy of the notice shall be delivered to the person and a copy shall be retained by the sheriff. Any person who willfully violates his or her written promise to appear at the time and place specified in the notice is guilty of a misdemeanor.

Whenever a peace officer has reasonable cause to believe the person has failed to appear at the time and place specified in the notice or fails to appear or work at the time and place agreed to or has failed to perform the work assigned, the peace officer may, without a warrant, retake the person into custody, or the court may

issue an arrest warrant for the retaking of the person into custody, to complete the remainder of the original sentence. A peace officer may not retake a person into custody under this subdivision, without a warrant for arrest, unless the officer has a written order to do so, signed by the sheriff or other person in charge of the program, that describes with particularity the person to be retaken.

(d) Nothing in this section shall be construed to require the sheriff or other official in charge to assign a person to a program pursuant to this section if it appears from the record that the person has refused to satisfactorily perform as assigned or has not satisfactorily complied with the reasonable rules and regulations governing the assignment or any other order of the court.

A person shall be eligible for work release under this section only if the sheriff or other official in charge concludes that the person is a fit subject therefor.

(e) The board of supervisors may prescribe a program administrative fee, not to exceed the pro rata cost of administration, to be paid by each person according to his or her ability to pay.

CHAPTER 87

An act to amend Section 12729 of, and to repeal Sections 12729 and 12729.5 of, the Business and Professions Code, relating to vehicles.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 12729 of the Business and Professions Code, as amended by Section 1 of Chapter 529 of the Statutes of 1990, is amended to read:

12729. (a) Except as otherwise provided in this section, any person who violates any provision of this chapter is guilty of a misdemeanor.

(b) Violations of Sections 12714, 12714.5, and 12715 are infractions, except as otherwise provided in Section 12718. Every person convicted of an infraction pursuant to this subdivision shall be punished as follows:

(1) For the first conviction, a fine not exceeding one hundred dollars ($100).

(2) For a second conviction within a period of one year, a fine not exceeding two hundred dollars ($200).

(3) For a third or subsequent conviction within a period of one year, a fine not exceeding five hundred dollars ($500).

(c) A violation of Section 12722 by a vehicle hauling bulk tomatoes is an infraction. Every person convicted of an infraction pursuant to this subdivision shall be punished as follows:

(1) For a vehicle that exceeds the tolerance provided by regulations adopted pursuant to Section 12723 by less than 50 percent, a fine not exceeding two hundred dollars ($200).

(2) For a vehicle that exceeds the tolerance provided by regulations adopted pursuant to Section 12723 by 50 to 100 percent, inclusive, a fine not exceeding four hundred dollars ($400).

(3) For a vehicle that exceeds the tolerance provided by regulations adopted pursuant to Section 12723 by more than 100 percent, a fine not exceeding eight hundred dollars ($800).

SEC. 2. Section 12729 of the Business and Professions Code, as added by Section 2 of Chapter 529 of the Statutes of 1990, is repealed.

SEC. 3. Section 12729.5 of the Business and Professions Code is repealed.

CHAPTER 88

An act to amend Section 6371 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 6371 of the Revenue and Taxation Code is amended to read:

6371. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use, or other consumption of, medical identification tags furnished by an organization which is exempted from taxes under Section 23701.

(b) For purposes of this section, "medical identification tags" includes any tag worn by a person for the purpose of alerting other persons that the wearer of the tag has a medical disability or allergic reaction to certain treatments.

CHAPTER 89

An act to amend Section 51284 of the Government Code, relating to agricultural land.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 51284 of the Government Code is amended to read:

51284. No contract may be canceled until after the city or county has given notice of, and has held, a public hearing on the matter. Notice of the hearing shall be published pursuant to Section 6061 and shall be mailed to every owner of land under contract, any portion of which is situated within one mile of the exterior boundary of the land upon which the contract is proposed to be canceled. In addition, at least 10 working days prior to the hearing, a notice of the hearing and a copy of the landowner's petition shall be mailed to the Director of Conservation. Within 30 days of the tentative cancellation of the contract, the city or county shall publish a notice of its decision, including the date, time, and place of the public hearing, a general explanation of the decision, the findings made pursuant to Section 51282, and a general description, in text or by diagram, of the land under contract, as a display advertisement of at least one-eighth page in at least one newspaper of general circulation within the city or county. In addition, within 30 days of the tentative cancellation of the contract, the city or county shall deliver a copy of the published notice of the decision, as described above, to the Director of Conservation. The publication shall be for informational purposes only, and shall create no right, standing, or duty that would otherwise not exist with regard to the cancellation proceedings.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 90

An act to amend Section 256 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 256 of the Welfare and Institutions Code is amended to read:

256. Subject to the orders of the juvenile court, a traffic hearing officer may hear and dispose of any case in which a minor under the

age of 18 years as of the date of the alleged offense is charged with (1) any violation of the Vehicle Code not declared to be a felony, (2) a violation of subdivision (m) of Section 602 of the Penal Code, (3) a violation of the Fish and Game Code not declared to be a felony, (4) a violation of any of the equipment and registration provisions of the Harbors and Navigation Code, (5) a violation of any provision of an ordinance of a city, county, or local agency relating to traffic offenses, or to nontraffic offenses regarding loitering, curfew, or evasion of fares on a public transportation system, as defined by Section 99211 of the Public Utilities Code, (6) a violation of Section 27176 of the Streets and Highways Code, (7) a violation of Section 640 or 640a of the Penal Code, (8) a violation of the rules and regulations established pursuant to Sections 5003 and 5008 of the Public Resources Code, (9) a violation of Section 33211.6 of the Public Resources Code, (10) a violation of Section 25658, 25658.5, 25661, or 25662 of the Business and Professions Code, (11) a violation of subdivision (f) of Section 647 of the Penal Code, (12) a misdemeanor violation of Section 594 of the Penal Code, involving defacing property with paint or any other liquid, (13) a violation of subdivision (b), (d), or (e) of Section 594.1 of the Penal Code, or (14) any infraction.

CHAPTER 91

An act to amend Section 9301 of the Commercial Code, relating to secured transactions.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 9301 of the Commercial Code is amended to read:

9301. (1) Except as otherwise provided in subdivision (2), an unperfected security interest is subordinate to the rights of all of the following:

(a) Persons entitled to priority under Section 9312.

(b) A person who becomes a lien creditor before the security interest is perfected.

(c) In the case of goods, instruments, documents, and chattel paper, a person who is not a secured party and who is a transferee in bulk or other buyer not in ordinary course of business to the extent that he gives value and receives delivery of the collateral without knowledge of the security interest and before it is perfected.

(d) In the case of accounts and general intangibles, a person who is not a secured party and who is a transferee to the extent that he gives value without knowledge of the security interest and before it

is perfected.

(2) If the secured party files with respect to a purchase money security interest before or within 20 days after the debtor receives possession of the collateral, he takes priority over the rights of a transferee in bulk or of a lien creditor which arise between the time the security interest attaches and the time of filing.

(3) A "lien creditor" means a creditor who has acquired a lien on the property involved by attachment, levy or the like and includes an assignee for benefit of creditors from the time of assignment, and a trustee in bankruptcy from the date of the filing of the petition or a receiver in equity from the time of appointment. "Lien creditor" does not include a creditor who by filing a notice with the Secretary of State has acquired only an attachment or judgment lien on personal property, or both.

(4) A person who becomes a lien creditor while a security interest is perfected takes subject to the security interest only to the extent that it secures advances made before he becomes a lien creditor or within 45 days thereafter or made without knowledge of the lien or pursuant to a commitment entered into without knowledge of the lien.

CHAPTER 92

An act to amend Section 435 of the Military and Veterans Code, relating to the state militia.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 435 of the Military and Veterans Code is amended to read:

435. (a) The Director of General Services, with the approval of the Adjutant General, may lease for not more than 99 years or sell for fair market value upon terms and conditions and subject to any reservations and exceptions as may be determined to be in the best interests of the state any real property held for armory purposes. No real property shall be sold or lease entered into pursuant to this subdivision unless the Legislature, by statute, approves the sale or lease of the property.

(b) There is in the State Treasury the Armory Fund. All proceeds from the sale or lease of armories shall be deposited in the fund. The money in the fund is available, upon appropriation by the Legislature, for the maintenance of existing armories, and for the acquisition or construction of new or replacement armories, including, but not limited to, the cost of design.

CHAPTER 93

An act to amend Section 68097.55 of the Government Code, relating to the courts.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 68097.55 of the Government Code is amended to read:

68097.55. Notwithstanding the provisions of Section 68097.5, the court, upon good cause shown, including the fact that the party is proceeding in forma pauperis pursuant to Section 68511.3, may relieve a party of the duty to make any deposit or payment, or portion thereof, required by Sections 68096.1, 68097.1, 68097.2, 68097.3, 68097.4, and 68097.5.

CHAPTER 94

An act to amend Section 99155 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 99155 of the Public Utilities Code is amended to read:

99155. (a) Each transit operator, whether publicly or privately funded all or in part, nonprofit or profit, which offers reduced fares to senior citizens shall honor the federal Medicare identification card as sufficient identification to receive reduced fares. A transit operator which offers reduced fares to those senior citizens who are less than 65 years old shall also honor the senior citizen identification card issued pursuant to subdivision (b) of Section 13000 of the Vehicle Code.

(b) Each transit operator, whether publicly or privately funded, in whole or in part, nonprofit or for profit, which offers reduced fares pursuant to subdivision (a) shall also offer reduced fares to handicapped persons, as defined by Section 99206.5, disabled persons, as defined by Section 295.5 of the Vehicle Code, and disabled veterans, as defined by Section 295.7 of the Vehicle Code, at the same rate established for senior citizens. A transit operator shall honor the handicapped person, disabled person, or disabled veteran placard identification card issued pursuant to Section 22511.55 of the Vehicle

Code.

(c) Every transit operator that offers reduced fares to handicapped or disabled persons shall honor any current identification card that is valid for the type of transportation service or discount requested and that has been issued to an individual with a handicap or disability by another transit operator.

(d) This section also applies to any dial-a-ride, paratransit, or nonfixed route operator which serves the handicapped or disabled, but does not apply to a private, nonprofit entity which serves the handicapped, disabled, or elderly.

(e) Nothing in this section prohibits a transit operator from issuing its own identification card, except that no such card shall be required to be presented in addition to either a federal Medicare card or a card issued pursuant to Section 22511.55 of the Vehicle Code.

(f) A transit operator, as defined in subdivision (b), which receives funds pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200)), shall not require that a person requesting transportation be a resident of that transit operator's service area.

CHAPTER 95

An act to amend Section 43601 of the Public Resources Code, relating to solid waste.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 43601 of the Public Resources Code is amended to read:

43601. (a) The evidence of financial ability shall be sufficient to meet the closure and postclosure maintenance costs when needed.

(b) Owners and operators of disposal sites shall provide evidence of financial ability through the use of any of the mechanisms set forth in Subpart (G) (commencing with Section 258.70) of Part 258 of Title 40 of the Code of Federal Regulations, or through the use of any other mechanisms that are approved by the board. The board may adopt regulations which reasonably condition the use of any of those mechanisms to ensure adequate protection of the public health and safety or the environment, but shall not exclude the use of any mechanism permitted under federal law.

CHAPTER 96

An act to amend Section 402 of the Insurance Code, relating to insurance.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 402 of the Insurance Code is amended to read:

402. (a) Upon the insured's request for coverage for private passenger automobile collision or comprehensive insurance, or both, on an additional or replacement vehicle, the insurer may provide coverage immediately, and the inspection required by this article may be deferred for seven days following the effective date of coverage if an inspection at the time of a request for coverage would create a serious inconvenience for the applicant.

(b) An insurer may defer the inspection required by this article under the following circumstances.

(1) On additional vehicles for up to seven days following the effective date of coverage.

(2) On replacement vehicles, an insurer may provide the same type or level of collision or comprehensive coverage, or both, that covered the replaced vehicle without a request for coverage by the insured. That automatic coverage prior to the insured's request for coverage may be for a period of up to seven days after the day on which the automobile is acquired.

(c) The seven-day period set forth in subdivisions (a) and (b) may be extended to a period not to exceed 30 days by agreement of the insurer and the insured.

(d) If an inspection is not conducted prior to the expiration of the seven-day period set forth in this section, or other period agreed to by the insurer and insured, not to exceed 30 days, collision or comprehensive coverage, or both, on the vehicle shall be suspended on the day following the seventh day or other agreed upon day, and that suspension shall continue until the inspection is conducted. However, where there is a lienholder interest of a dealer licensed under the Vehicle Code or a federal or state regulated financial institution, collision or comprehensive coverage, or both, on the vehicle shall not be suspended, but payment of a claim shall be restricted to the lienholder interest of a dealer licensed under the Vehicle Code or a federal or state regulated financial institution until the inspection is conducted. The insurer, however, shall inspect the vehicle and reinstate the lapsed coverage for automobile physical damage if the insured thereafter requests an inspection.

(e) Whenever automobile collision or comprehensive coverage, or both, is suspended or restricted pursuant to subdivision (d) for the

failure to have an inspection report, the insurer shall immediately notify the insured that the collision or comprehensive coverage, or both, is restricted or suspended until the vehicle is inspected.

(f) The commissioner shall adopt by regulation a notice of mandatory preinsurance inspection requirement letter, which shall be provided the applicant by the insurer or its agent. If the insurer or its agent fails to give notice to the insured of the mandatory requirement of physical inspection or otherwise fails to comply with this article, the collision or comprehensive coverage, or both, shall not be suspended or restricted pursuant to subdivision (d).

(g) An insurer may provide a grace period, not to exceed seven days, to obtain the required inspection where the automobile is purchased from an automobile dealer licensed under the Vehicle Code or where the applicant was not previously insured by the insurer.

CHAPTER 97

An act to amend Sections 19533, 19596, 19601, 19614.2, 19616, 19616.1, and 19617.7 of, and to add Section 19605.61 to, the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 19533 of the Business and Professions Code, as amended by Chapter 1481 of the Statutes of 1990, is amended to read:

19533. (a) 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 authorize the entering of thoroughbred and Appaloosa horses in quarter horse races at a distance not exceeding five furlongs at quarter horse meetings, mixed breed meetings, and fair meetings. If the board authorizes the entering of thoroughbred or Appaloosa horses in quarter horse races, the following conditions shall be met:

(1) Any race written for participation by quarter horses, Appaloosas, and thoroughbreds shall be written as quarter horse preferred.

(2) The number of races written as quarter horse preferred at a distance exceeding 870 yards shall not exceed more than three races per program without the consent of the quarter horse horsemen's organization contracting with the association.

(3) More than one-half of the races on any program shall be written for quarter horses at a distance not to exceed 550 yards,

unless the consent of the quarter horse horsemen's organization is received.

(4) Mixed races with Appaloosa and quarter horses may only be written with the consent of the quarter horse horsemen's organization contracting with the association.

(b) The association that conducts the meeting shall, as provided in subdivision (b) of Section 19613, pay to the horsemen's organization representing thoroughbred horsemen an amount for administrative expense and services rendered to horsemen equivalent to 1.5 percent of the amount available to thoroughbred horses for purses, and an amount for a pension plan for backstretch personnel to be administered by that horsemen's organization equivalent to an additional 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. Any redistributable money paid to the board pursuant to Section 19641, which is paid to a welfare fund established by a horsemen's organization from races with both thoroughbred and quarter horses, shall be divided pro rata between the two welfare funds based on the number of thoroughbreds and quarter horses in the race.

(c) (1) Notwithstanding any other provision of law, any association licensed to conduct quarter horse racing may apply to the board for, and the board shall grant, authority to conduct thoroughbred racing as part of its racing program if all of the following conditions are met:

(A) The thoroughbred races are for a claiming price of not more than five thousand dollars ($5,000), and at a distance of four and one-half furlongs or less. The races may not be stakes, allowance races, or maiden allowance races.

(B) More than one-half of the races on any program shall be written for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.

(C) The consent of the quarter horse horsemen's organization contracting with the association is obtained with respect to the inclusion of thoroughbred racing.

(2) The quarter horse racing association conducting thoroughbred racing pursuant to this subdivision shall, as provided in subdivision (b) of Section 19613, pay to the horsemen's organization representing thoroughbred horsemen an amount for administrative expense and services rendered to horsemen equivalent to 1.5 percent of the amount available to thoroughbred horses for purses, and an amount for a pension plan for backstretch personnel to be administered by that horsemen's organization equivalent to an additional 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. The quarter horse racing association shall also deduct the appropriate amount to comply with subdivision (a) of Section 19617.2 for distribution to the thoroughbred official

registering agency.

SEC. 1.4. Section 19596 of the Business and Professions Code is amended to read:

19596. Notwithstanding any other provision of law, the board may authorize an association conducting a racing meeting in this state to accept wagers on the results of out-of-state feature races having a gross purse of at least one hundred thousand dollars ($100,000) during the period the association is conducting the racing meeting on days when live races are being run. The board may also authorize the inclusion of those wagers accepted by an association in this state on the results of out-of-state feature races in the parimutuel pools of the out-of-state association that conducts the feature races on which the wagers are placed. The board authorization may be granted under this section only if both of the following conditions are met:

(a) The authorization complies with federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(b) Wagering is offered only within the racing inclosure and only within seven days of the running of the out-of-state feature race.

SEC. 1.5. Section 19601 of the Business and Professions Code is amended to read:

19601. (a) Notwithstanding any other provision of law, the board may authorize any licensed association or satellite wagering facility to accept wagers on races conducted in this state comprising the program of racing generally known as the Breeders' Cup and feature races conducted in this state having a gross purse of fifty thousand dollars ($50,000) or more, if all of the following requirements are met:

(1) The association that conducts the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more and the horsemen's organization that represents the horsemen participating in that racing meeting consent to the acceptance of the wagers.

(2) Wagering is offered only within the association's racing inclosure or within the satellite wagering facility and only within seven days of the commencement of the racing program with the Breeders' Cup program or with the feature race having a gross purse of fifty thousand dollars ($50,000) or more.

(3) All wagers made at the association or at the satellite wagering facility that accepts the wagers are included in the appropriate conventional or exotic pool at the racetrack of the association that conducts the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more, unless the board determines that including the wagers in pools of the association or the satellite wagering facility that accepts the wagers better serves the purpose of this chapter.

(b) Any association or satellite wagering facility accepting wagers under subdivision (a) shall deduct from the total amount handled in

each conventional and exotic parimutuel pool, the same percentages deducted pursuant to Article 9.5 (commencing with Section 19610) by the association that conducts the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more.

(c) From the total amount deducted pursuant to subdivision (b), a commission of 2 percent of the amount it handles shall be retained by the association or the satellite wagering facility that accepts the wager. The funds remaining after distribution of the 2-percent commission shall be distributed in the same relative percentages (reduced pro rata for the 2-percent commission) as provided in Article 9.5 (commencing with Section 19610), except that the funds available for distribution to the association that conducts the racing meeting with the Breeders' Cup program or the feature race having a gross pool of fifty thousand dollars ($50,000) or more and for distribution to horsemen, in the form of purses, shall be accumulated and shall be distributed equally between (1) the association that conducts the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more and (2) the horsemen, in the form of purses. One-half of the purse money shall be paid to the horsemen who participate in the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more, and one-half of the purse money shall be paid in the form of purses to the horsemen who are racing at an association that conducts the same breed of racing as the association that conducts the Breeders' Cup program or a feature race having a gross purse of fifty thousand dollars ($50,000) or more.

(d) All breakage and unclaimed tickets shall be distributed equally among the state, the association that conducts the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more, and the horsemen, in the form of purses, who participate in the racing meeting with the Breeders' Cup program or the feature race having a gross purse of fifty thousand dollars ($50,000) or more.

SEC. 1.8. Section 19605.61 is added to the Business and Professions Code, to read:

19605.61. (a) Notwithstanding any other provision of law, if the live racing or the audiovisual signals of any licensed association or fair in this state are disrupted or interrupted so as to cause the cessation of the live racing or audiovisual signals and the cause is a natural disaster outside the control of the association or fair conducting the racing or satellite wagering, as determined by the chairperson of the board, the chairperson may, at the request of the licensed association or fair and the organization representing horsemen at the race meeting, temporarily authorize the conduct of satellite wagering, including the transmission and reception of audiovisual signals, from any zone in the state or from any location outside this state. However, audiovisual signals emanating from within the state shall have

preference over audiovisual signals from locations outside this state, and any transmission shall be subject to the conditions specified in subdivisions (a) to (e), inclusive, of Section 19605.3.

(b) As used in this section, "natural disaster" means fire, flood, storm, epidemic, riot, or earthquake.

SEC. 1.9. 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 deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b) and (c) of Section 19617.2.

(d) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be paid as breeder premiums and owners' and stallion awards as provided in Section 19617.7, shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(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 or placing 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 or places in races having a total purse value in excess of the average purse value for races, other than stakes races, won by California-bred Appaloosa or Arabian 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 of up to, but not to exceed, 10 percent of the total awards fund.

SEC. 2. Section 19616 of the Business and Professions Code is amended to read:

19616. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state feature races pursuant to Section 19596, but not included in the parimutuel pool or pools of the entity conducting the out-of-state racing, shall be placed in a separate parimutuel pool or pools and shall be distributed as provided by this section.

(b) Each association accepting wagers on an out-of-state feature race shall deduct a percentage of the amount handled in its conventional and exotic parimutuel pools which is equal to the percentage deducted from the amount handled by the association in its parimutuel pools at its racing meeting.

(c) Each association shall pay a state license fee at the rate or rates applicable to the races of the association's racing program for the day on which the out-of-state feature race is offered. If the association does not conduct a regular racing program on that day of the meeting, the state license fee shall be paid at the rate or rates applicable to the most immediate prior day of the racing program.

(d) Breakage and unclaimed tickets on out-of-state feature races shall be distributed 50 percent as commissions and 50 percent as purses.

(e) The amount remaining from the deduction under subdivision (b), after payment of the state license fee and the contractual payment to the out-of-state host racing association, shall be distributed 50 percent as commissions and 50 percent as purses.

(f) From the amount distributed under subdivision (e) for Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California-breds winning at the meeting. The sum shall be deposited within 10 days of the close of the meeting with the officially recognized organizations representing the respective breeds. After deduction of expenses, not to exceed 5 percent, and approval of all the deductions by the board, the fund shall be distributed on a prorated percentage basis of first moneys earned to persons owning California-bred racehorses at the time of their wins in accordance with subdivision (b) of Section 19612.2 and subdivision (c) of Section 19617.

(g) From the amount distributed for thoroughbred purses under subdivision (e), a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b) and (c) of Section 19617.2.

(h) From the amount distributed under subdivision (e) for quarter horse purses, a sum equal to 13.33 percent thereof shall be

held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

SEC. 3. Section 19616.1 of the Business and Professions Code is amended to read:

19616.1. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state feature races pursuant to Section 19596 and included in the parimutuel pool or pools of the entity conducting the out-of-state racing shall be distributed as provided in this section.

(b) From the amount handled by the association and included in the parimutuel pool or pools of the entity conducting the out-of-state racing, each association may, with the permission of the board, deduct a percentage equal to the percentage deducted by the entity conducting the out-of-state racing.

(c) From the amount deducted pursuant to subdivision (b), if any, each association shall pay a state license fee at a pro rata rate applicable to the races of the association's racing program for the day on which the out-of-state feature is offered.

(d) Breakage and unclaimed tickets on out-of-state feature races shall be distributed 50 percent as commission and 50 percent as purses.

(e) The amount remaining from the deduction under subdivision (b), if any, after payment of the state license fee and the contractual payment to the out-of-state host racing association, shall be distributed 50 percent as commissions and 50 percent as purses.

(f) From the amount distributed under subdivision (e) for Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California-breds winning at the meeting. The sum shall be deposited within 10 days of the close of the meeting with the officially recognized organization representing the respective breeds. After deduction of expenses, not to exceed 5 percent, and approval of all the deductions by the board, the funds shall be distributed on a prorated percentage basis of first moneys earned to persons owning California-bred racehorses at the time of their wins in accordance with subdivision (b) of Section 19612.2 and subdivision (c) of Section 19617.

(g) From the amount distributed for thoroughbred purses under subdivision (e), a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b) and (c) of Section 19617.2.

(h) From the amount distributed under subdivision (e) for quarter horse purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d),

and (e) of Section 19617.7.

SEC. 4. Section 19617.7 of the Business and Professions Code is amended to read:

19617.7. (a) The following definitions govern the construction of this section:

(1) "Breeder" means a person who is registered as the owner of a California-bred quarter horse mare with the official registering agency and is named on the applicable Certificate of Registration issued by the American Quarter Horse Association at the time the mare foals.

(2) "Eligible earnings" means the following:

(A) In the case of breeder premiums, the annual amount earned by a California-bred quarter horse for finishing first or second in qualifying races.

(B) In the case of owners' awards, the annual amount earned by a California-bred quarter horse for finishing first or second in qualifying races.

(C) In the case of stallion awards, the annual amount earned by California-conceived or California-bred foals of an eligible quarter horse sire for finishing first or second in qualifying races.

(D) In order for earnings from a qualifying race to be considered as eligible earnings, a California-bred quarter horse shall be registered as such with the official registering agency before the date entries were taken by the association for the qualifying race in which that horse earned purse money.

(E) For purposes of this paragraph, the maximum purse considered earned in any qualifying race within this state is two hundred thousand dollars ($200,000) for a win, and eighty thousand dollars ($80,000) for a second place finish.

(F) In determining the purse earned in any qualifying race that is a stakes race, the amount earned shall be based on the added money and other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof.

(G) On or before February 1 of any year, the stallion owner shall verify with the official registering agency the eligibility of a stallion to receive the stallion award to which the owner is entitled.

(3) "Eligible quarter horse sire" means a quarter horse stallion that was continuously present in this state from February 1 to July 15, inclusive, of the calendar year in which the qualifying race was conducted, and, if the sire left this state after July 15 of the calendar year in which the qualifying race was conducted, the sire returned to and was present in this state by February 1 of the following calendar year and thereafter remained until July 15 of that year. If a sire dies in this state and stood his last season at stud in this state, he shall thereafter continue to be considered an eligible quarter horse sire. Notwithstanding any other provision of law, a quarter horse stallion shall be considered an eligible quarter horse sire only if its owner has verified the stallion's eligibility with the official

registering agency for stallion awards on or before February 1 of the calendar year immediately following the calendar year for which the awards are being distributed.

(4) "Official registering agency" means the Pacific Coast Quarter Horse Racing Association.

(5) "Owner" means the person who is registered with the paymaster of purses on the date the qualifying race was conducted as the owner of the California-bred quarter horse earning purse money in that race.

(6) "Qualifying race" means all quarter horse races in this state.

(7) "Stallion owner" means the person who is the owner of the eligible quarter horse sire as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible quarter horse sire on the date that the sire died.

(b) Any association conducting a race meeting which includes quarter horse racing shall deposit with the official registering agency 0.2 of 1 percent of the total amount handled ontrack, and 0.4 of 1 percent of the total amount handled offtrack, in daily conventional and exotic parimutuel pools and a sum equal to 25 percent of those funds specified for purses in Sections 19612.1, 19612.2, 19614.2, 19616, and 19616.1 and the sums specified in Sections 19567 and 19617.5, resulting from quarter horse racing. The deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of that meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days with the last deposit being based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(c) After deducting a sum up to, but not to exceed, 10 percent of the total deposits made pursuant to subdivision (b) and the total deposits made pursuant to other provisions of this chapter, including Sections 19612.1, 19612.2, 19614.2, 19616, and 19616.1, to compensate the official registering agency for its administrative costs, the official registering agency shall distribute annually the balance of the deposits in the following manner:

(1) Sixty percent to the breeder fund from which breeder premiums are to be paid.

(2) Twenty-five percent to the owner fund from which owners' awards are to be paid.

(3) Fifteen percent to the stallion fund from which stallion awards

are to be paid.

(d) The official registering agency shall make the following payments to the breeder, owner, and stallion owner to encourage agriculture and the breeding of high quality horses in this state:

(1) The breeder shall be paid a sum based on a prorated share of first and second place earnings from qualified races by a California-bred quarter horse.

(2) The owner shall be paid an owners' award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred quarter horse.

(3) The stallion owner shall be paid a stallion award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred quarter horse.

Stallion awards shall not be made to the owner of a sire which has been out of the state for breeding purposes during the calendar year.

(4) The breeder premium, and owners' and stallion awards shall be paid not later than March 31 of the calendar year immediately following the calendar year for which the awards or premiums were earned.

(e) The amount remaining for distribution under this section, if any, after the payments are made under subdivision (d) shall be used for the payment of quarter horse breeder premiums and owners' and stallion awards on a prorated percentage based on the win and second place shares of the purse, exclusive of all purse money not derived from the parimutuel pools, to the breeders, owners, and owners of sires of quarter horses who have been officially placed first or second in one or more qualifying races.

(f) If there are insufficient funds to make all of the distributions in this section, there shall be no assessments made against any association to fund the deficiencies.

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 encourage parimutuel wagering and to ensure viable quarter horse racing meetings and to maintain and encourage the breeding and racing of quarter horses in California during the 1993 racing season, it is necessary that this act take effect immediately.

CHAPTER 98

An act to amend Section 337s of the Penal Code, relating to gambling.

[Approved by Governor July 8, 1993. Filed with Secretary of State July 9, 1993.]

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

SECTION 1. Section 337s of the Penal Code is amended to read:

337s. (a) This section applies only in counties with a population exceeding 4,000,000.

(b) Every person who deals, plays, or carries on, opens, or causes to be opened, or who conducts, either as owner or employee, whether for hire or not, any game of draw poker, including lowball poker, is guilty of a misdemeanor.

(c) Subdivision (b) shall become operative in a county only if the board of supervisors thereof by resolution directs that there be placed on the ballot at a designated county election the question whether draw poker, including lowball poker, shall be prohibited in the county and a majority of electors voting thereon vote affirmatively. The question shall appear on the ballot in substantially the following form:

"Shall draw poker, including lowball poker, be prohibited in _____ County? Yes _____ No _____"

If a majority of electors voting thereon vote affirmatively, draw poker shall be prohibited in the unincorporated territory in the county.

(d) Any county ordinance in any county prohibiting, restricting, or regulating the playing of draw poker and other acts relating to draw poker shall not be superseded until, pursuant to subdivision (c), the electorate of the county determines that subdivision (b) shall be operative in the county.

(e) The Legislature finds that in counties with a large, concentrated population, problems incident to the playing of draw poker are, in part, qualitatively, as well as quantitatively, different from the problems in smaller counties.

The Legislature finds that counties with a population exceeding 4,000,000 constitute a special problem, and it is reasonable classification to adopt prohibitory legislation applicable only to such counties.

(f) If any provision of this section is held invalid, the entire section shall be invalid. The provisions of this section are not severable.

CHAPTER 99

An act to amend Section 3482.6 of the Civil Code, relating to nuisance.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 3482.6 of the Civil Code is amended to read:

3482.6. (a) No agricultural processing activity, operation, facility, or appurtenances thereof, conducted or maintained for commercial purposes, and in a manner consistent with proper and accepted customs and standards, shall be or become a nuisance, private or public, due to any changed condition in or about the locality, after the same has been in continuous operation for more than three years if it was not a nuisance at the time it begins.

(b) If an agricultural processing activity, operation, facility, or appurtenances thereof substantially increases its activities or operations after January 1, 1993, then a public or private nuisance action may be brought with respect to those increases in activities or operations which have a significant effect on the environment. For increases in activities or operations that have been in effect more than three years, there shall be a rebuttable presumption affecting the burden of producing evidence that the increase was not substantial.

(c) This section shall not supersede any other provision of law, except other provisions of this part, if the agricultural processing activity, operation, facility, or appurtenances thereof, constitute a nuisance, public or private, as specifically defined or described in the provision.

(d) This section shall prevail over any contrary provision of any ordinance or regulation of any city, county, city and county, or other political subdivision of the state, except regulations adopted pursuant to Section 41700 of the Health and Safety Code as applied to agricultural processing activities, operations, facilities, or appurtenances thereof which are surrounded by housing or commercial development on the effective date on this section. However, nothing in this section shall preclude a city, county, city and county, or other political subdivision of this state, acting within its constitutional or statutory authority and not in conflict with other provisions of state law, from adopting an ordinance that allows notification to a prospective homeowner that the dwelling is in close proximity to an agricultural processing activity, operation, facility, or appurtenances thereof and is subject to of provisions of this section consistent with Section 1102.6a.

(e) For purposes of this section:

(1) "Agricultural processing activity, operation, facility, or

appurtenances thereof" includes, but is not limited to, the canning or freezing of agricultural products, the processing of dairy products, the production and bottling of beer and wine, the processing of meat and egg products, the drying of fruits and grains, the packing and cooling of fruits and vegetables, and the storage or warehousing of any agricultural products, and shall include processing for wholesale or retail markets of agricultural products.

(2) "Continuous operation" means at least 30 days of agricultural processing operations per year.

(3) "Proper and accepted customs and standards" means the compliance with all applicable state and federal statutes and regulations governing the operation of the agricultural processing activity, operation, facility, or appurtenances thereof with respect to the condition or effect alleged to be a nuisance.

(f) This section shall not apply to any litigation pending or cause of action accruing prior to January 1, 1993.

CHAPTER 100

An act to amend, repeal, and add Sections 1797.112, 1797.172, and 1798.200 of the Health and Safety Code, to amend Sections 6051.2, 6201.2, and 11001.5 of the Revenue and Taxation Code, to amend Sections 17600, 17600.15, 17600.20, 17602, 17603, 17604, 17606.05, 17606.10, 17606.20, and 17608.15 of, to add Sections 5701.2, 17605.07, 17605.08, and 17605.10 to, to repeal Sections 17605.15 and 17606 of, and to repeal and add Sections 5701, 17605, 17605.05, and 17606.15 of, the Welfare and Institutions Code, relating to health and welfare, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 1797.112 of the Health and Safety Code is amended to read:

1797.112. (a) The Emergency Medical Services Personnel Fund is hereby created in the State Treasury and is continuously appropriated to the authority to maintain the authority's testing and personnel certification program and to make reimbursements to entities for the performance of functions for which fees are collected pursuant to subdivision (a) of Section 1797.185. The authority may transfer unused portions of the Emergency Medical Services Personnel Fund to the Surplus Money Investment Fund.

(b) This section shall remain in effect only until December 31, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before December 31, 1993, deletes or extends that

date.

SEC. 1.2. Section 1797.112 is added to the Health and Safety Code, to read:

1797.112. (a) The Emergency Medical Services Personnel Fund is hereby created in the State Treasury and is continuously appropriated to the authority to maintain the authority's testing and personnel registry program and to make reimbursements to entities for the performance of functions for which fees are collected pursuant to subdivision (a) of Section 1797.185. The authority may transfer unused portions of the Emergency Medical Services Personnel Fund to the Surplus Money Investment Fund.

(b) This section shall become operative on December 31, 1993.

SEC. 1.3. Section 1797.172 of the Health and Safety Code is amended to read:

1797.172. (a) The authority shall develop, and after the approval of the commission pursuant to Section 1799.50, shall adopt, minimum standards for the training and scope of practice for EMT-P. Notwithstanding any other provision of law, the authority shall be the agency solely responsible for certification and recertification of EMT-Ps who meet the standards and are not precluded from certification because of any of the reasons listed in Section 1798.200.

(b) The director shall, in consultation with a committee of local EMS medical directors named by the Emergency Medical Directors Association of California, approve any addition to a local optional scope of practice for EMT-P's proposed by the medical director of a local EMS agency prior to implementation of the addition in the local system.

(c) EMT-Ps whose certifications expire before the authority implements a recertification procedure pursuant to subdivision (a) may be temporarily certified by the authority, provided that the EMT-P meets the following conditions:

(1) Has completed and attests to the completion of all of the continuing education requirements.

(2) Attests to the authority that he or she is not precluded from recertification for any of the reasons listed in Section 1798.200.

(3) Passes the California written or skills EMT-P examinations, if required for recertification.

(4) Completes and submits to the authority a "Request for Temporary Certification" form, which the authority shall make available.

(5) Receives from the authority, a letter approving temporary certification.

(d) An individual who has either completed EMT-P training in California or is registered as an EMT-Paramedic with the National Registry of Emergency Medical Technicians and has passed the California EMT-P written and skills examinations for competency may obtain a temporary certification letter from the authority to practice EMT-P skills if the individual meets the following conditions:

(1) Provides to the authority a copy of the course completion record or National Registry card.

(2) Attests to the authority that he or she is not precluded from recertification for any of the reasons listed in Section 1798.200.

(3) Completes and submits to the authority a "Request for Temporary Certification" form, which the authority shall make available.

(4) Receives from the authority, a letter approving temporary certification.

(e) A temporary certification issued pursuant to subdivision (c) or (d) shall be valid only until the authority adopts emergency regulations implementing a state certification process for EMT-Ps, processes the individual's application for certification or recertification, and sends notification that the certification or recertification is approved or denied, and in any case shall expire at midnight on December 31, 1993.

(f) This section shall remain in effect only until December 31, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before December 31, 1993, deletes or extends that date.

SEC. 1.4. Section 1797.172 is added to the Health and Safety Code, to read:

1797.172. (a) The authority shall develop, and after the approval of the commission pursuant to Section 1799.50, shall adopt, minimum standards for the training and scope of practice for EMT-P.

(b) The director shall, in consultation with a committee of local EMS medical directors named by the Emergency Medical Directors Association of California, approve any addition to a local optional scope of practice for EMT-Ps proposed by the medical director of a local EMS agency prior to implementation of the addition in the local system.

(c) This section shall become operative on December 31, 1993.

SEC. 1.5. Section 1798.200 of the Health and Safety Code is amended to read:

1798.200. (a) The medical director of the local EMS agency may place on probation any certificate holder or suspend or revoke any EMT-I or EMT-II certificate or suspend or recommend to the authority the revocation of any EMT-P certificate issued under this division, in accordance with guidelines established by the authority, and upon the finding by that medical director of an imminent threat to the public health and safety as evidenced by the occurrence of any of the following actions:

(1) Fraud in the procurement of any certification under this division.

(2) Gross negligence.

(3) Repeated negligent acts.

(4) Incompetence.

(5) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, and duties

of prehospital personnel.

(6) Conviction of any crime that is substantially related to the qualifications, functions, and duties of prehospital personnel. The record of conviction or a certified copy of the record shall be conclusive evidence of that conviction.

(7) Violating or attempting to violate directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision of this division or the regulations promulgated by the authority pertaining to prehospital personnel.

(8) Violating or attempting to violate any federal or state statute or regulation that regulates narcotics, dangerous drugs, or controlled substances.

(9) Addiction to the excessive use of, or the misuse of, alcoholic beverages, narcotics, dangerous drugs, or controlled substances.

(10) Functioning outside the supervision of medical control in the field care system operating at the local level, except as authorized by any other license or certification.

(11) Demonstration of irrational behavior or occurrence of a physical disability to the extent that a reasonable and prudent person would have reasonable cause to believe that the ability to perform the duties normally expected may be impaired.

(b) The authority may deny, suspend, or revoke certification as an EMT-P for any of the reasons listed in subdivision (a), in accordance with the guidelines established by the authority. The director of the authority shall make the final decision on the revocation of an EMT-P certificate after the local EMS agency, pursuant to its medical control responsibilities, has completed the certificate review process and provided all information and evidence to the authority.

(c) The authority, at the discretion of the director, may review all information and evidence regarding any negative certification action taken against an EMT-P by the medical director of an local EMS agency and may uphold, overturn, or modify a negative certification action, as deemed appropriate by the director.

(d) This section shall remain in effect only until December 31, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before December 31, 1993, deletes or extends that date.

SEC. 1.6. Section 1798.200 is added to the Health and Safety Code, to read:

1798.200. (a) The medical director of the local EMS agency may place on probation any certificate holder or suspend or revoke any certificate issued under this division and in accordance with guidelines established by the authority upon the finding by that medical director of an imminent threat to the public health and safety as evidenced by the occurrence of any of the following actions:

(1) Fraud in the procurement of any certification under this division.

(2) Gross negligence.

(3) Repeated negligent acts.

(4) Incompetence.

(5) The commission of any fraudulent, dishonest, or corrupt act which is substantially related to the qualifications, functions, and duties of prehospital personnel.

(6) Conviction of any crime which is substantially related to the qualifications, functions, and duties of prehospital personnel. The record of conviction or a certified copy of the record shall be conclusive evidence of such conviction.

(7) Violating or attempting to violate directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision of this division or the regulations promulgated by the authority pertaining to prehospital personnel.

(8) Violating or attempting to violate any federal or state statute or regulation which regulates narcotics, dangerous drugs, or controlled substances.

(9) Addiction to the excessive use of, or the misuse of, alcoholic beverages, narcotics, dangerous drugs, or controlled substances.

(10) Functioning outside the supervision of medical control in the field care system operating at the local level, except as authorized by any other license or certification.

(11) Demonstration of irrational behavior or occurrence of a physical disability to the extent that a reasonable and prudent person would have reasonable cause to believe that the ability to perform the duties normally expected may be impaired.

(b) This section shall become operative December 31, 1993.

SEC. 1.7. The Emergency Medical Services Authority shall adopt emergency regulations to implement a state EMT-P certification program pursuant to this act. This Section shall be operative only until December 31, 1993.

SEC. 1.9. Section 6051.2 of the Revenue and Taxation Code is amended to read:

6051.2. (a) In addition to the taxes imposed by Section 6051 and any other provision of this part, for the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of ½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this state on and after July 15, 1991.

(b) All revenues received pursuant to this section shall be deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code.

(c) This section shall cease to be operative on the first day of the first month of the calendar quarter following notification to the board by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal that the revenues collected pursuant to this section and Section 6201.2 that are deposited in the Local Revenue Fund are either of the following:

(1) "General Fund proceeds of taxes appropriated pursuant to

Article XIII B of the California Constitution," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(2) "Allocated local proceeds of taxes," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

SEC. 2. Section 6201.2 of the Revenue and Taxation Code is amended to read:

6201.2. (a) In addition to the taxes imposed by Section 6201 and any other provision of this part, an excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer on or after July 15, 1991, for storage, use, or other consumption in this state at the rate of ½ percent of the sales price of the property.

(b) All revenues receive pursuant to this section shall be deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code.

(c) This section shall cease to be operative on the first day of the first month of the calendar quarter following notification to the board by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal that the revenues collected pursuant to this section and Section 6051.2 and deposited in the Local Revenue Fund are either of the following:

(1) "General Fund proceeds of taxes appropriated pursuant to Article XIII B of the California Constitution," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(2) "Allocated local proceeds of taxes," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

SEC. 3. Section 11001.5 of the Revenue and Taxation Code is amended to read:

11001.5. (a) Notwithstanding Section 11001, and except as provided in subdivision (b), 24.33 percent of the moneys collected by the department under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) Notwithstanding Section 11001, 25.72 percent of the moneys collected by the department on or after August 1, 1991, and before August 1, 1992, under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and

city and county as otherwise provided by law.

(c) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991–92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

SEC. 4. Section 5701 of the Welfare and Institutions Code is repealed.

SEC. 5. Section 5701 is added to the Welfare and Institutions Code, to read:

5701. (a) To achieve equity of funding, available funding for local mental health programs beyond the funding provided pursuant to Section 17601 shall be distributed to counties and cities and counties pursuant to the procedures described in subdivision (c) of Section 17606.05.

(b) Funding provided pursuant to Section 6 of Article XIII B of the California Constitution and provided for future pilot projects shall be exempt from the requirements of subdivision (a).

(c) Increased receipts of vehicle license fees resulting from procedures developed for greater compliance with vehicle license fee laws shall be deposited monthly into the Vehicle License Collection Account of the Local Revenue Fund.

(d) Effective in the 1993–94 fiscal year and each year thereafter:

(1) The State Department of Mental Health shall annually identify from Substance Abuse and Mental Health Services Administration funds provided by the federal government, the maximum amount that federal law and regulation permit to be allocated to counties and cities and counties pursuant to this subdivision. The amount to be allocated to counties and cities and counties pursuant to this section shall not include those federal funds appropriated by the Legislature for departmental support and childrens' systems of care projects.

(2) Notwithstanding subdivision (a), annually the State Department of Mental Health shall allocate to counties and cities and counties the funds identified in paragraph (1), not to exceed forty million dollars ($40,000,000) in any year. The allocations shall be proportional to each county's and each city and county's percentage of the forty million dollars ($40,000,000) in Cigarette and Tobacco Products Surtax funds that were allocated to local mental health programs in the 1991–92 fiscal year.

(3) Monthly, the Controller shall allocate funds from the Vehicle License Collection Account of the Local Revenue Fund to counties

for mental health services. Allocations shall be made to each county in the same percentages as described in paragraph (2), until the total of the funds allocated to all counties in each year pursuant to paragraph (2) and this paragraph reaches forty million dollars ($40,000,000).

(4) Funds allocated to counties pursuant to paragraphs (2) and (3) shall not be subject to Section 17606.05.

(5) Funds that are available for allocation in any year in excess of the forty million dollar ($40,000,000) limits described in paragraph (2) or (3) shall be deposited into the Mental Health Subaccount of the Local Revenue Fund.

(6) Nothing in this section is intended to, nor shall it, change any county's base allocation as provided in Section 17601.

SEC. 6. Section 5701.2 is added to the Welfare and Institutions Code, to read:

5701.2. (a) The department shall maintain records of any transfer of funds or state hospital beds made pursuant to Chapter 1341 of the Statutes of 1991.

(b) Commencing with the 1991–92 fiscal year, the department shall maintain records that set forth that portion of each county's allocation of state mental health moneys that represent the dollar equivalent attributed to each county's state hospital beds or bed days, or both, that were allocated as of May 1, 1991. The department shall provide a written summary of these records to the appropriate committees of the Legislature and the California Mental Health Directors Association within 30 days after the enactment of the annual Budget Act.

(c) Nothing in this section is intended to change the counties' base allocations as provided in subdivisions (a) and (b) of Section 17601.

SEC. 7. Section 17600 of the Welfare and Institutions Code is amended to read:

17600. (a) There is hereby created the Local Revenue Fund, which shall have all of the following accounts:

(1) The Sales Tax Account.

(2) The Vehicle License Fee Account.

(3) The Vehicle License Collection Account.

(4) The Sales Tax Growth Account.

(5) The Vehicle License Fee Growth Account.

(b) The Sales Tax Account shall have all of the following subaccounts:

(1) The Mental Health Subaccount.

(2) The Social Services Subaccount.

(3) The Health Subaccount.

(4) The In-Home Supportive Services Registry Model Subaccount.

(c) The Sales Tax Growth Account shall have all of the following subaccounts:

(1) The Caseload Subaccount.

(2) The Base Restoration Subaccount.

(3) The Indigent Health Equity Subaccount.
(4) The Community Health Equity Subaccount.
(5) The Mental Health Equity Subaccount.
(6) The State Hospital Mental Health Equity Subaccount.
(7) The County Medical Services Subaccount.
(8) The General Growth Subaccount.
(9) The Special Equity Subaccount.

(d) Notwithstanding Section 13340 of the Government Code, the Local Revenue Fund is continuously appropriated, without regard to fiscal years, for the purpose of this chapter.

(e) The Local Revenue Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be distributed in January and July among the accounts and subaccounts in proportion to the amounts deposited into each subaccount, except as provided in subdivision (f).

(f) If a distribution required by subdivision (e) would cause a subaccount to exceed its limitations imposed pursuant to any of the following, the distribution shall be made among the remaining subaccounts in proportion to the amounts deposited into each subaccount in the six prior months:

(1) Subdivision (a) of Section 17605.
(2) Paragraph (1) of subdivision (a) of Section 17605.05.
(3) Subdivision (b) of Section 17605.10.
(4) Subdivision (c) of Section 17605.10.

SEC. 8. Section 17600.15 of the Welfare and Institutions Code is amended to read:

17600.15. (a) Of the sales tax proceeds from revenues collected in the 1991–92 fiscal year which are deposited to the credit of the Local Revenue Fund, 51.91 percent shall be credited to the Mental Health Subaccount, 36.17 percent shall be credited to the Social Services Subaccount, and 11.92 percent shall be credited to the Health Subaccount of the Sales Tax Account.

(b) For the 1992–93 fiscal year and fiscal years thereafter, of the sales tax proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Mental Health Subaccount, the Social Services Subaccount, and the Health Subaccount of the Sales Tax Account until the deposits equal the amounts that were allocated to counties, cities, and cities and counties mental health accounts, social services accounts, and health accounts, respectively, of the local health and welfare trust funds in the prior fiscal year pursuant to this chapter from the Sales Tax Account and the Sales Tax Growth Account. Any excess sales tax revenues received pursuant to Sections 6051.2 and 6201.2 of the Revenue and Taxation Code shall be deposited in the Sales Tax Growth Account of the Local Revenue Fund.

SEC. 9. Section 17600.20 of the Welfare and Institutions Code is amended to read:

17600.20. (a) Any county or city or city and county may reallocate money among accounts in the local health and welfare

trust fund, not to exceed 10 percent of the amount deposited in the account from which the funds are reallocated for that fiscal year.

(b) After depositing funds to the social services account allocated to a county or city and county pursuant to Section 17605 and after reallocating funds from both the health account and mental health account of the local health and welfare trust fund under subdivision (a), a county may reallocate up to an additional 10 percent of the money from the health account to the social services account in the 1992–93 fiscal year and fiscal years thereafter, for caseload increases for mandated social services programs listed in paragraph (2) of subdivision (b) of Section 17605 in excess of revenue growth in the social services account.

(c) (1) A county or city or city and county shall, at a regularly scheduled public hearing of its governing body, document that any decision to make any substantial change in its allocation of mental health, social services, or health trust fund moneys among services, facilities, programs, or providers as a result of reallocating funds pursuant to subdivision (a), (b), or (d) was based on the most cost-effective use of available resources to maximize client outcomes.

(2) Any county or city and county that reallocates funds pursuant to subdivision (b) shall document, at a regularly scheduled public hearing of the board of supervisors, that the net social services caseload has increased beyond the revenue growth in the social services account.

(3) Any county, city, or city and county that is required to document any reallocation of funds pursuant to paragraphs (1) and (2) shall forward a copy of the documentation to the Controller. The Controller shall make copies of the documentation available to the Legislature and to other interested parties, upon request.

(d) In addition to subdivision (a), a county or city and county may reallocate up to an additional 10 percent of the money from the social services account to the mental health account or the health account in the 1993–94 fiscal year and fiscal years thereafter when there exist in the social services account revenues in excess of the amount necessary to fund mandated caseload costs, pursuant to paragraph (2) of subdivision (b) of Section 17605, as determined by the county board of supervisors, as a result of implementation of personal care services or other program changes.

SEC. 10. Section 17602 of the Welfare and Institutions Code is amended to read:

17602. (a) On or before the 27th day of the month, the Controller shall allocate to counties the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund, pursuant to schedules developed by the Department of Finance in conjunction with the appropriate state departments based on the estimated 1991–92 expenditures as contained in the Budget Act for programs set forth in subdivision (b), the Controller shall make monthly allocations to counties of the

funds deposited into the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund. These allocations shall be made to the Social Services Account of the local health and welfare trust fund.

The programs to be funded in accordance with the schedule are those set forth in Sections 1794, 1904, 10101, 10101.1, 11322, 11322.2, 12306, 15200, 15204.2, and 18906.5 of this code, and Section 265 of the Health and Safety Code and the program set forth in Section 1806, as funded in the Governor's proposed budget. The schedule for the 1991–92 fiscal year shall be considered final on October 1, 1991.

(b) (1) For the 1991–92 fiscal year and every fiscal year thereafter, the Controller shall allocate an amount from the Social Services Subaccount to counties that equals the amount those counties receive pursuant to Sections 16265 to 16265.7, inclusive, of the Government Code in the 1990–91 fiscal year.

(2) Notwithstanding any other provision of this chapter, counties may use these funds as authorized by Section 16265.7 of the Government Code.

(c) (1) Pursuant to schedules developed by the Department of Finance, in conjunction with the Department of the Youth Authority, based on the estimated 1991–92 fiscal year expenditures as contained in the 1991–92 proposed Governor's Budget for programs impacted by the realignment and contained in the allocations to counties of the funds deposited into the Social Services Subaccount of the Sales Tax Account in the Local Revenue Fund. The programs set forth in Sections 894, 1794, and 1904 shall be funded in accordance with the schedules adopted pursuant to this subdivision.

(2) (A) Counties that receive allocations pursuant to Article 24.5 (commencing with Section 894) of Chapter 2 of Division 2, Article 5.5 (commencing with Section 1790) of Chapter 1 of Division 2.5 and Article 10 (commencing with Section 1900) of Chapter 1 of Division 2.5 shall receive the same allocation for the 1991–92 fiscal year that they received for the 1990–91 fiscal year.

(B) (i) Of the amount allocated to San Bernardino County under this section for the 1991–92 fiscal year, five hundred thousand dollars ($500,000) shall be designated for the Regional Youth Education Center.

(ii) Of the amount allocated to Los Angeles County under this section for the 1991–92 fiscal year, four hundred eighty-nine thousand four hundred eighty-six dollars ($489,486) shall be designated for the Sugar Ray Robinson Youth Foundation, and one hundred forty thousand eight hundred dollars ($140,800) shall be allocated for the John Rossi Youth Foundation, Inc.

(C) Funding allocated to counties under this section for the 1991–92 fiscal year for programs set forth in Article 2 (commencing with Section 1900) of Chapter 1 of Division 2.5 shall be allocated to previously funded youth services bureaus at the 1990–91 fiscal year level.

(d) Subject to the availability of funds from the 1990–91 fiscal year,

the Counties of Butte, Colusa, El Dorado, Humboldt, Lake, Madera, Nevada, Placer, Riverside, Santa Cruz, and Yuba may be reimbursed for underallocated Child Welfare Services' Program costs from unused Child Welfare Services' Program funds to reflect Public Employees' Retirement System contributions credits in the 1991–92 fiscal year.

(e) For the 1992–93 fiscal year and fiscal years thereafter, the allocations by the Controller to each county and city and county shall equal the amounts received in the prior fiscal year by each county and city and county from the Sales Tax Account and the Sales Tax Growth Account for deposit into the social services account of the local health and welfare trust fund.

SEC. 11. Section 17603 of the Welfare and Institutions Code is amended to read:

17603. On or before the 27th day of each month, the Controller shall allocate to the local health and welfare trust fund health accounts the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Health Subaccount of the Sales Tax Account of the Local Revenue Fund, in accordance with subdivisions (a) and (b):

(a) For the 1991–92 fiscal year, allocations shall be made in accordance with the following schedule:

Jurisdiction	Allocation Percentage
Alameda	4.5046
Alpine	0.0137
Amador	0.1512
Butte	0.8131
Calaveras	0.1367
Colusa	0.1195
Contra Costa	2.2386
Del Norte	0.1340
El Dorado	0.5228
Fresno	2.3531
Glenn	0.1391
Humboldt	0.8929
Imperial	0.8237
Inyo	0.1869
Kern	1.6362
Kings	0.4084
Lake	0.1752
Lassen	0.1525
Los Angeles	37.2607
Madera	0.3656
Marin	1.0785
Mariposa	0.0815
Mendocino	0.2586
Merced	0.4094

Modoc	0.0923
Mono	0.1342
Monterey	0.8975
Napa	0.4466
Nevada	0.2734
Orange	5.4304
Placer	0.2806
Plumas	0.1145
Riverside	2.7867
Sacramento	2.7497
San Benito	0.1701
San Bernardino	2.4709
San Diego	4.7771
San Francisco	7.1450
San Joaquin	1.0810
San Luis Obispo	0.4811
San Mateo	1.5937
Santa Barbara	0.9418
Santa Clara	3.6238
Santa Cruz	0.6714
Shasta	0.6732
Sierra	0.0340
Siskiyou	0.2246
Solano	0.9377
Sonoma	1.6687
Stanislaus	1.0509
Sutter	0.4460
Tehama	0.2986
Trinity	0.1388
Tulare	0.7485
Tuolumne	0.2357
Ventura	1.3658
Yolo	0.3522
Yuba	0.3076
Berkeley	0.0692
Long Beach	0.2918
Pasadena	0.1385

(b) For the 1992–93 fiscal year and fiscal years thereafter, the allocations to each county and city and county shall equal the amounts received in the prior fiscal year by each county, city, and city and county from the Sales Tax Account and the Sales Tax Growth Account of the Local Revenue Fund into the health and welfare trust fund.

SEC. 12. Section 17604 of the Welfare and Institutions Code is amended to read:

17604. (a) All motor vehicle license fee revenues collected in the 1991–92 fiscal year that are deposited to the credit of the Local Revenue Fund shall be credited to the Vehicle License Fee Account

of that fund.

(b) (1) For the 1992–93 fiscal year and fiscal years thereafter, from vehicle license fee proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Vehicle License Fee Account of the Local Revenue Fund until the deposits equal the amounts that were allocated to counties, cities, and cities and counties as general purpose revenues in the prior fiscal year pursuant to this chapter from the Vehicle License Fee Account in the Local Revenue Fund and the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the Local Revenue Fund.

(2) Any excess vehicle fee revenues deposited into the Local Revenue Fund pursuant to Section 11001.5 of the Revenue and Taxation Code shall be deposited in the Vehicle License Fee Growth Account of the Local Revenue Fund.

(c) (1) On or before the 27th day of each month, the Controller shall allocate to each county, city, or city and county, as general purpose revenues the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Vehicle License Fee Account of the Local Revenue Fund, in accordance with paragraphs (2) and (3).

(2) For the 1991–92 fiscal year, allocations shall be made in accordance with the following schedule:

Jurisdiction	Allocation Percentage
Alameda	4.5046
Alpine	0.0137
Amador	0.1512
Butte	0.8131
Calaveras	0.1367
Colusa	0.1195
Contra Costa	2.2386
Del Norte	0.1340
El Dorado	0.5228
Fresno	2.3531
Glenn	0.1391
Humboldt	0.8929
Imperial	0.8237
Inyo	0.1869
Kern	1.6362
Kings	0.4084
Lake	0.1752
Lassen	0.1525
Los Angeles	37.2607
Madera	0.3656
Marin	1.0785
Mariposa	0.0815
Mendocino	0.2586

Merced	0.4094
Modoc	0.0923
Mono	0.1342
Monterey	0.8975
Napa	0.4466
Nevada	0.2734
Orange	5.4304
Placer	0.2806
Plumas	0.1145
Riverside	2.7867
Sacramento	2.7497
San Benito	0.1701
San Bernardino	2.4709
San Diego	4.7771
San Francisco	7.1450
San Joaquin	1.0810
San Luis Obispo	0.4811
San Mateo	1.5937
Santa Barbara	0.9418
Santa Clara	3.6238
Santa Cruz	0.6714
Shasta	0.6732
Sierra	0.0340
Siskiyou	0.2246
Solano	0.9377
Sonoma	1.6687
Stanislaus	1.0509
Sutter	0.4460
Tehama	0.2986
Trinity	0.1388
Tulare	0.7485
Tuolumne	0.2357
Ventura	1.3658
Yolo	0.3522
Yuba	0.3076
Berkeley	0.0692
Long Beach	0.2918
Pasadena	0.1385

(3) For the 1992–93 fiscal year and fiscal years thereafter, allocations shall be made in the same amounts as were distributed from the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the prior fiscal year.

(d) The Controller shall make monthly allocations from the amount deposited in the Vehicle License Collection Account of the Local Revenue Fund to each county in accordance with a schedule to be developed by the State Department of Mental Health in consultation with the California Mental Health Directors Association, which is compatible with the intent of the Legislature

expressed in the act adding this subdivision.

SEC. 13. Section 17605 of the Welfare and Institutions Code is repealed.

SEC. 14. Section 17605 is added to the Welfare and Institutions Code, to read:

17605. (a) For the 1992–93 fiscal year, the Controller shall deposit into the Caseload Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, from revenues deposited into the Sales Tax Growth Account, an amount to be determined by the Department of Finance, that represent the sum of the shortfalls between the actual realignment revenues received by each county and each city and county from the Social Services Subaccount of the Local Revenue Fund in the 1991–92 fiscal year and the net costs incurred by each of those counties and cities and counties in the fiscal year for the programs described in Sections 10101, 10101.1, 11322, 11322.2, 12306, subdivisions (a), (b), (c), and (d) of Section 15200, and Sections 15204.2 and 18906.5. The Department of Finance shall provide the Controller with an allocation schedule on or before August 15, 1993, that shall be used by the Controller to allocate funds deposited to the Caseload Subaccount under this subdivision. The Controller shall allocate these funds no later than August 27, 1993.

(b) (1) For the 1993–94 fiscal year and fiscal years thereafter, the Controller shall deposit into the Caseload Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, from revenues deposited into the Sales Tax Growth Account, an amount determined by the Department of Finance, in consultation with the appropriate state departments and the California State Association of Counties, that is sufficient to fund the net cost for the realigned portion of the county or city and county share of growth in social services caseloads, as specified in paragraph (2). The Department of Finance shall provide the Controller with an allocations schedule on or before March 15 of each year. The schedule shall be used by the Controller to allocate funds deposited into the Caseload Subaccount under this subdivision.

(2) For purposes of this subdivision, "growth" means the increase in the actual caseload expenditures for the prior fiscal year over the actual caseload expenditures for the fiscal year preceding the prior fiscal year for the programs described in Section 12306, subdivisions (a), (b), (c), and (d) of Section 15200, and Sections 10101, 15204.2 and 18906.5 of this code, and subdivision (b) of Section 265 of the Health and Safety Code.

(3) The difference in caseload expenditures between the fiscal years shall be multiplied by the factors that represent the change in county or city and county shares of the realigned programs. These products shall then be added or subtracted, taking into account whether the county's or city and county's share of costs was increased or decreased as a result of realignment, to yield each county's or city and county's allocation for caseload growth. Allocations for counties or cities and counties with allocations of less than zero shall be set at

zero.

(c) On or before the 27th day of each month, the Controller shall allocate, to the local health and welfare trust fund social services account, the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Caseload Subaccount, pursuant to the schedule of allocations of caseload growth described in subdivision (b). If there are insufficient funds to fully satisfy all caseload growth obligations, each county's or city and county's allocation for each program specified in subdivision (d) shall be prorated.

(d) Prior to allocating funds pursuant to subdivision (b), to the extent that funds are available from funds deposited in the Caseload Subaccount in the Sales Tax Growth Account in the Local Revenue Fund, the Controller shall allocate money to counties or cities and counties to correct any inequity or inequities in the computation of the child welfare services portion of the schedule required by subdivision (a) of Section 17602.

(e) The Department of Finance shall submit to the Controller, by March 1, 1994, a schedule specifying the amount of the allocations described in subdivision (d). This schedule shall include, but need not be limited to, adjustments resulting from retirement system credits and other anomalies that occurred in the 1989–90 fiscal year and the 1990–91 fiscal year.

SEC. 15. Section 17605.05 of the Welfare and Institutions Code is repealed.

SEC. 16. Section 17605.05 is added to the Welfare and Institutions Code, to read:

17605.05. (a) For the 1992–93 fiscal year and fiscal years thereafter, after satisfying the obligations set forth in Section 17605, the Controller shall deposit into the Base Restoration Subaccount of the Sales Tax Growth Account of the Local Revenue Fund, the remainder of those revenues deposited in the Sales Tax Growth Account of the Local Revenue Fund, up to a cumulative amount, that, in conjunction with local matching funds pursuant to Section 17608.15, is sufficient to fund the difference between two billion two hundred eleven million seven hundred twenty-four thousand dollars ($2,211,724,000), less the amount allocated pursuant to subdivision (a) of Section 17605, and actual amounts distributed for the 1991–92 fiscal year pursuant to this chapter.

(b) On or before the 27th day of each month, the Controller shall allocate to the appropriate accounts in the local health and welfare trust fund the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Base Restoration Subaccount of the Sales Tax Growth Account pursuant to a schedule developed by the Department of Finance, in consultation with the appropriate state departments and the California State Association of Counties, based on each county's, city's, and city and county's share of the funds determined pursuant to subdivision (a), including the adjustment made for individual counties and cities and counties that

received funds allocated pursuant to subdivision (a) of Section 17605.

SEC. 17. Section 17605.07 is added to the Welfare and Institutions Code, to read:

17605.07. (a) For the 1992–93 fiscal year and fiscal years thereafter, after satisfying the obligations set forth in Sections 17605 and 17605.05, the Controller shall deposit into the County Medical Services Subaccount 4.027 percent of the amounts remaining and unexpended in the Sales Tax Growth Account of the Local Revenue Fund.

(b) If the amount deposited to the Caseload Subaccount of the Sales Tax Growth Account pursuant to subdivision (b) of Section 17605 exceeds twenty million dollars ($20,000,000) for any fiscal year, then an additional amount equal to 4.027 percent of the amount deposited to the Caseload Subaccount shall be deposited to the County Medical Services Program Subaccount of the Sales Tax Growth Account.

SEC. 18. Section 17605.08 is added to the Welfare and Institutions Code, to read:

17605.08. (a) For the fiscal year following the first fiscal year in which funds are deposited into the Special Equity Subaccount, after satisfying the obligations set forth in Sections 17605 and 17605.05, the Controller shall deposit into the Special Equity Subaccount any positive difference between ten million one hundred thousand dollars ($10,100,000) and the sum of (1) the amount allocated in the prior year to the Special Equity Subaccount pursuant to Section 17606.10 and (2) the amount of matching funds allocated in the prior fiscal year pursuant to Section 17606.20.

(b) For each fiscal year following the first fiscal year described in subdivision (a), after satisfying the obligations set forth in Section 17605 and 17605.05, the Controller shall deposit any positive difference between seven million one hundred thousand dollars ($7,100,000) and the sum of the amounts allocated in the prior fiscal year to the Special Equity Subaccount pursuant to Section 17605.10 and the matching funds allocated in the prior fiscal year pursuant to Section 17606.20.

SEC. 19. Section 17605.10 is added to the Welfare and Institutions Code, to read:

17605.10. (a) For the 1992–93 fiscal year and fiscal years thereafter, after satisfying the obligations set forth in Sections 17605, 17605.05, 17605.07, and 17605.08, the Controller shall deposit any funds remaining in the Sales Tax Growth Account of the Local Revenue Fund into the specified subaccounts according to the following schedule:

Account	Allocation Percentage
The Indigent Health Equity Subaccount	4.9388
The Community Health Equity Subaccount	12.0937
The Mental Health Equity Subaccount	3.9081
The State Hospital Mental Health Equity Subaccount	6.9377
The General Growth Subaccount	64.0367
The Special Equity Subaccount	8.0850

(b) Notwithstanding subdivision (a), after amounts have been deposited to the Indigent Health Equity Subaccount, the Community Health Equity Subaccount, the Mental Health Equity Subaccount, and the State Hospital Mental Health Equity Subaccount, which in conjunction with matching funds pursuant to Section 17606.20, comprise a cumulative total of two hundred seven million nine hundred thousand dollars ($207,900,000), or after the requirements of paragraph (2) of subdivision (c) of Section 17606.05 have been satisfied, whichever is less, all additional funds that would be available for deposit into those subaccounts shall be deposited into any remaining subaccounts in proportion to their percentages in the schedule specified in subdivision (a).

(c) Notwithstanding subdivision (a), after amounts have been deposited to the Special Equity Subaccount, which in conjunction with matching funds pursuant to Section 17606.20, comprise a cumulative total of thirty-eight million five hundred thousand dollars ($38,500,000), all additional funds that would be available for deposit into that subaccount shall be deposited into the remaining subaccounts in proportion to their percentages specified in subdivision (a).

SEC. 20. Section 17605.15 of the Welfare and Institutions Code is repealed.

SEC. 21. Section 17606 of the Welfare and Institutions Code is repealed.

SEC. 22. Section 17606.05 of the Welfare and Institutions Code is amended to read:

17606.05. (a) For the 1992–93 fiscal year, the Controller shall allocate to those counties that have a poverty-population shortfall, as described in subdivision (c), those funds deposited in the Indigent Health Equity Subaccount, the Community Health Equity Subaccount, the Mental Health Equity Subaccount, and the State Hospital Mental Health Equity Subaccount in accordance with the following tables and schedules:

(1) The Controller shall make monthly allocations from the amounts deposited in the Indigent Health Equity Subaccount to the health account in the local health and welfare trust fund in accordance with the following schedule:

County	Allocation Percentage
Alameda	9.377
Contra Costa	4.939
Fresno	6.964
Kern	4.362
Merced	1.889
Monterey	2.143
Placer	.959
Riverside	7.059
Sacramento	8.907
San Bernardino	10.804
San Diego	15.927
San Joaquin	4.855
San Luis Obispo	1.200
San Mateo	3.159
Santa Barbara	3.159
Santa Clara	3.159
Stanislaus	3.249
Tulare	3.262
Ventura	3.592
Yolo	1.038

(2) The Controller shall make monthly allocations from the amounts deposited in the Community Health Equity Subaccount to the health account in the local health and welfare trust fund in accordance with the following schedule:

County	Allocation Percentage
Butte	1.11
Calaveras	.13
Del Norte	.18
El Dorado	.54
Fresno	7.20
Glenn	.12
Humboldt	.71
Imperial	.72
Kern	4.81
Kings	.62
Lake	.35
Lassen	.15
Madera	.43
Marin	.84
Mariposa	.07
Mendocino	.54
Merced	1.53
Modoc	.05

Napa	.50
Nevada	.40
Placer	.63
Plumas	.12
Riverside	7.66
Sacramento	8.01
San Benito	.15
San Bernardino	11.76
San Diego	17.07
San Joaquin	3.91
San Luis Obispo	1.09
Santa Clara	13.88
Shasta	1.09
Sierra	.02
Siskiyou	.25
Solano	1.25
Sonoma	1.83
Stanislaus	2.90
Sutter	.67
Tehama	.29
Tulare	2.03
Tuolumne	.22
Ventura	3.34
Yolo	.84
City of Berkeley	——
City of Pasadena	——
City of Long Beach	——

(3) The Controller shall make monthly allocations from the amounts deposited in the State Hospital Mental Health Equity Subaccount to the mental health account in the local health and welfare trust fund in accordance with the following schedule:

County	Allocation Percentage
Amador	.055
Butte	1.957
Calaveras	.256
Del Norte	.291
El Dorado	1.011
Fresno	10.815
Glenn	.277
Humboldt	.747
Imperial	1.682
Kern	1.726
Kings	1.153
Lake	.470
Lassen	.150
Madera	1.192

Mariposa	.006
Mendocino	.478
Merced	2.924
Modoc	.007
Monterey	.684
Nevada	.021
Placer	.450
Plumas	.068
Riverside	5.538
Sacramento	9.423
San Benito	.010
San Bernardino	11.445
San Diego	19.331
San Joaquin	7.682
San Luis Obispo	1.119
Santa Barbara	.341
Santa Clara	5.264
Santa Cruz	.271
Shasta	.708
Siskiyou	.529
Stanislaus	3.309
Sutter	1.702
Tehama	.194
Trinity	.054
Tulare	5.074
Tuolumne	.104
Ventura	1.377
Yolo	.105
City of Berkeley	——

(4) The Controller shall make monthly allocations from the amounts deposited in the Mental Health Equity Subaccount to the mental health account in the local health and welfare trust fund in accordance with the following schedule:

County	Allocation Percentage
Butte	.379
Contra Costa	6.066
Fresno	7.113
Imperial	.711
Kern	5.387
Lake	.490
Lassen	.045
Los Angeles	28.142
Madera	.335
Merced	1.955
Napa	.046
Orange	2.794

Riverside	6.448
Sacramento	3.710
San Benito	.231
San Bernardino	19.414
Santa Cruz	2.171
Shasta	1.909
Solano	5.117
Stanislaus	3.717
Tulare	3.604
Tuolumne	.217
City of Berkeley	——

(b) (1) For the 1993–94 fiscal year and succeeding years, the Controller shall allocate, on a monthly basis, to the appropriate accounts of the local health and welfare trust fund those funds deposited in the Indigent Health Equity Subaccount, the Community Health Equity Subaccount, the Mental Health Equity Subaccount, and the State Hospital Mental Health Equity Subaccount in the Sales Tax Growth Account in accordance with a schedule prepared in accordance with subdivision (c) by the Department of Finance.

(2) The Department of Finance shall annually consult with The California State Association of Counties prior to submitting any schedule of allocations to the Controller.

(3) If deposits to the Indigent Health Equity Subaccount, the Community Health Equity Subaccount, the Mental Health Equity Subaccount, and the State Hospital Mental Health Equity Subaccount are not sufficient to eliminate poverty-population shortfalls as described in subdivision (c), each eligible jurisdiction shall receive an allocation which equals its pro rata share of funds in the subaccount based on the jurisdiction's percentage share of the poverty-population shortfall.

(c) (1) A poverty-population percentage shall be computed annually by the Department of Finance for each county, city, and city and county by averaging each jurisdiction's share of the state's total population and each jurisdiction's percentage share of the state's total cash-grant certified AFDC and SSI/SSP eligible populations residing in the county, city, or city and county, as determined by the Department of Finance.

(2) (A) For each subaccount, the Department of Finance shall calculate the poverty-population shortfall for each county, city, and city or county, which received funding from the state, including any equity allocation made pursuant to this section, in the prior fiscal year and excluding any transfers to or from other subaccounts under Section 17600.20.

(B) The poverty-population shortfalls shall be calculated for the following programs or funding sources:

(i) State funding under Part 4.5 (commencing with Section 16700), as operative on June 29, 1991, for indigent health programs.

(ii) State funding under Part 4.5 (commencing with Section 16700), as operative on June 29, 1991, for community health programs.

(iii) State hospital funding.

(iv) Funding provided for purposes of implementation of Division 5 (commencing with Section 5000) for the organization and financing of community mental health programs.

(C) The calculation shall identify the amount by which the allocations for the programs or funding sources identified in subparagraph (B) are less than the amount the jurisdiction would have received if its percentage share of the prior year funding had been equal to its poverty-population percentage. Data necessary to complete this calculation shall be submitted to the Department of Finance by the California State Association of Counties no later than December 31, 1994.

(D) The calculation of the poverty-population shortfall for clause (iv) of subparagraph (B) shall include all allocations received pursuant to paragraph (2) of subdivision (a) of Section 5701, including all distributions made pursuant to subdivision (b) of Section 5701, unless those funds are intended for pilot program or demonstration projects or are exempted from this requirement by other provisions of law.

(3) For each subaccount, the Department of Finance shall total the amounts calculated in paragraph (2) and determine the percentage of that total represented by each amount.

(4) Each county's, city's, or city and county's percentage share of each subaccount specified in subdivision (b) of Section 17606.05 shall equal the percentage computed in paragraph (3).

(6) All calculations made pursuant to this subdivision shall be compiled and made available by the Department of Finance, upon request, to all counties, cities, and cities and counties eligible for funding pursuant to this subdivision, and city and counties, receiving funding pursuant to this article at least 30 days prior to submission of schedules of allocations to the Controller.

SEC. 23. Section 17606.10 of the Welfare and Institutions Code is amended to read:

17606.10. For the 1992–93 fiscal year and subsequent fiscal years, the Controller shall allocate funds, on a monthly basis from the General Growth Subaccount in the Sales Tax Growth Account to the appropriate accounts in the local health and welfare trust fund of each county, city, and city and county in accordance with a schedule setting forth the percentage of total state resources received in the 1990–91 fiscal year, including State Legalization Impact Assistance Grants distributed by the state under Part 4.5 (commencing with Section 16700), funding provided for purposes of implementation of Division 5 (commencing with Section 5000), for the organization and financing of community mental health services, including the Cigarette and Tobacco Products Surtax proceeds which are allocated to county mental health programs pursuant to Chapter 1331 of the

Statutes of 1989, Chapter 51 of the Statutes of 1990, and Chapter 1323 of the Statutes of 1990, and state hospital funding and funding distributed for programs administered under Sections 1794, 10101.1, and 11322.2, as annually adjusted by the Department of Finance, in conjunction with the appropriate state department to reflect changes in equity status from the base percentages. However, for the 1992–93 fiscal year, the allocation for community mental health services shall be based on the following schedule:

Jurisdiction	Percentage of Statewide Resource Base
Alameda	4.3693
Alpine	0.0128
Amador	0.0941
Butte	0.7797
Calaveras	0.1157
Colusa	0.0847
Contra Costa	2.3115
Del Norte	0.1237
El Dorado	0.3966
Fresno	3.1419
Glenn	0.1304
Humboldt	0.6175
Imperial	0.5425
Inyo	0.1217
Kern	1.8574
Kings	0.4229
Lake	0.2362
Lassen	0.1183
Los Angeles	27.9666
Madera	0.3552
Marin	0.9180
Mariposa	0.0792
Mendocino	0.4099
Merced	0.8831
Modoc	0.0561
Mono	0.0511
Monterey	1.1663
Napa	0.3856
Nevada	0.2129
Orange	5.3423
Placer	0.5034
Plumas	0.1134
Riverside	3.6179
Sacramento	4.1872
San Benito	0.1010
San Bernardino	4.5494
San Diego	7.8773

San Francisco	3.5335
San Joaquin	2.4690
San Luis Obispo	0.6652
San Mateo	2.5169
Santa Barbara	1.0745
Santa Clara	5.0488
Santa Cruz	0.7960
Shasta	0.5493
Sierra	0.0345
Siskiyou	0.2051
Solano	0.6694
Sonoma	1.1486
Stanislaus	1.4701
Sutter/Yuba	0.6294
Tehama	0.2384
Trinity	0.0826
Tulare	1.4704
Tuolumne	0.1666
Ventura	1.9311
Yolo	0.5443
Berkeley	0.2688
Tri-City	0.2347

SEC. 24. Section 17606.15 of the Welfare and Institutions Code is repealed.

SEC. 25. Section 17606.15 is added to the Welfare and Institutions Code, to read:

17606.15. (a) For the first fiscal year in which funds are deposited into the Special Equity Subaccount in the Sales Tax Growth Account in the Local Revenue Fund, the Controller shall allocate funds on a monthly basis from the Special Equity Subaccount to the account of the local health and welfare trust fund designated by each recipient county in accordance with the following schedule:

County	Allocation Percentage
Orange	49.505
San Diego	39.604
Santa Clara	10.891

(b) For the fiscal year following the first fiscal year in which funds are deposited into the Special Equity Subaccount, the Controller shall first allocate any amount deposited pursuant to Section 17605.08 in accordance with the schedule described in subdivision (a).

(c) For each fiscal year following the first fiscal year in which funds are deposited into the Special Equity Subaccount in the Sales Tax Growth Account in the Local Revenue Fund, after fulfilling the obligations set forth in subdivision (b), the Controller shall allocate all funds remaining in that subaccount to the account of the local health and welfare trust fund designated by each recipient county in

accordance with the following schedule:

County	Allocation Percentage
Orange	28.169
San Diego	56.338
Santa Clara	15.493

(d) Notwithstanding any other subdivision of this section, the Controller shall not allocate from the Special Equity Subaccount of the Sales Tax Growth Account in the Local Revenue Fund any amount that, in conjunction with matching funds allocated pursuant to Section 17606.20, comprises a cumulative total of more than the amounts in the following schedule:

County	Allocation
Orange	$13,000,000
San Diego	20,000,000
Santa Clara	5,500,000

SEC. 26. Section 17606.20 of the Welfare and Institutions Code is amended to read:

17606.20. On or before the 27th day of each month, the Controller shall allocate money to each county, city, and city and county, as general purpose revenues, from revenues deposited in the Vehicle License Fee Growth Account in the Local Revenue Fund in amounts that are proportional to each county's, city's, or city and county's total allocation from the Sales Tax Growth Account, except amounts provided pursuant to Section 17605.

SEC. 27. Section 17608.15 of the Welfare and Institutions Code is amended to read:

17608.15. As a condition of the deposit of Sales Tax Growth Account funds into the local health and welfare trust fund accounts, a county or city or city and county shall deposit, each month, local matching funds that are sufficient to permit the disbursement from the local health and welfare trust fund accounts amounts that are equivalent to the growth of revenue in the sales tax and vehicle license fees allocated pursuant to Section 11001.5 of the Revenue and Taxation Code to the trust fund accounts and the county general funds.

SEC. 28. (a) In the event of a determination by the Commission on State Mandates, which is not appealed by the Director of Finance in accordance with subdivision (c), or a final judicial determination by a California court of appellate jurisdiction, that any provision of this act is a state-mandated local program requiring state reimbursement to a local agency or school district within the meaning of Section 6 of Article XIII B of the California Constitution, the provisions of this act shall become inoperative 60 days following the date on which the Commission on State Mandates adopts an estimated statewide cost of reimbursement pursuant to such a

commission decision finding a state mandate, or following the date on which the first such judicial determination becomes final.

(b) This section shall be operative only in the event that the estimated statewide cost of reimbursement exceeds one million dollars ($1,000,000) per year. The estimated cost of reimbursement for purposes of this one million dollar ($1,000,000) limitation shall be determined by reference to the school district within the meaning of Section 6 of Article XIII B of the California Constitution, the provisions of this act shall become inoperative 60 days following the date on which the Commission on State Mandates adopts an estimated statewide cost of reimbursement pursuant to such a commission decision finding a state mandate, or following the date on which the first such judicial determination becomes final.

(c) This act shall not become inoperative pursuant to subdivision (a) if the Director of Finance files a written Notice of Intent to Appeal with the Commission on State Mandates within 60 days of the adoption of an estimated statewide cost of reimbursement pursuant to a decision by the commission finding that any of the provisions of this act is a state-mandated local program requiring reimbursement within the meaning of Section 6 of Article XIII B of the California Constitution. The Notice of Intent to Appeal specified by this subdivision shall consist of a written notice setting forth the intention of the Director of Finance to seek judicial review of the decision of the Commission on State Mandates that is received by the commission within the time specified.

SEC. 29. Any amendment to the Vehicle License Fee Law in the 1991–92 Regular Session of the Legislature that results in any increase in the vehicle license fee paid shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by a California court of appellate jurisdiction of either of the following:

(a) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991–92 Regular Session of the Legislature is in violation of Section 5 of Article XI of the California Constitution.

(b) The state is obligated to reimburse counties for the costs of providing medical services to medically indigent adults pursuant to Chapter 328 of the Statutes of 1982 and Chapter 1594 of the Statutes of 1982.

SEC. 30. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to apply the provisions of this act to the 1992–93 fiscal year, and so facilitate the orderly administration of the human services funding system and to provide for the continued certification and recertification of paramedics, it is necessary that this act take effect

immediately.

CHAPTER 101

An act to amend Sections 1805.4, 1810.4, and 2982 of the Civil Code, and to amend Sections 18218.5, 22458.7, and 24458.7 of, and to add Section 26480 to, the Financial Code, relating to civil law.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 1805.4 of the Civil Code is amended to read:

1805.4. The finance charge shall be inclusive of all charges incident to investigating and making the contract and for the extension of the credit provided for in the contract, and no fee, expense or other charge whatsoever shall be taken, received, reserved or contracted for except as otherwise provided in this chapter.

The seller or holder of a retail installment contract may charge and collect a fee not to exceed fifteen dollars ($15) for the return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft issued in connection with the retail installment contract. The fee is not included in charges as defined in this chapter or in determining the applicable charges which may be made under this chapter.

SEC. 2. Section 1810.4 of the Civil Code is amended to read:

1810.4. The finance charge shall include all charges incident to investigating and making the retail installment account. No fee, expense, delinquency, collection, or other charge whatsoever shall be taken, received, reserved, or contracted by the seller or holder of a retail installment account except as provided in this section. A seller may, however, in an agreement which is signed by the buyer and of which a copy is given or furnished to the buyer provide for the payment of attorney's fees and costs in conformity with Article 11 (commencing with Section 1811.1). When credit cards are issued in connection with a retail installment account, the seller, either in the agreement or after giving the notice required by subdivision (d) of Section 1810.3, may require the payment of an annual fee of not more than fifteen dollars ($15) for membership in the credit card plan, which fee shall not be deemed a finance charge or interest for any purpose of the law.

The seller or holder of a retail installment account may charge and collect a fee not to exceed fifteen dollars ($15) for the return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft issued in connection with the retail installment account. The fee is not included in charges as defined in

this chapter or in determining the applicable charges which may be made under this chapter.

SEC. 3. Section 2982 of the Civil Code is amended to read:

2982. Every conditional sale contract subject to this chapter shall contain the disclosures required by Regulation Z whether or not Regulation Z applies to the transaction. In addition, to the extent applicable, the contract shall contain the other disclosures and notices required by, and shall satisfy the requirements and limitations of, this section. The disclosures required by subdivision (a) may be itemized or subtotaled to a greater extent than as required by that subdivision and shall be made together and in the sequence set forth in that subdivision. All other disclosures and notices may appear in the contract in any location or sequence and may be combined or interspersed with other provisions of the contract.

(a) The contract shall contain the following disclosures, as applicable, which shall be labeled "itemization of the amount financed":

(1) (A) The cash price, exclusive of document preparation fees, taxes imposed on the sale, pollution control certification fees, and the amount charged for a service contract.

(B) The fee to be retained by the seller for document preparation.

(C) The fee charged by the seller for certifying that the motor vehicle complies with applicable pollution control requirements.

(D) Taxes imposed on the sale.

(E) The amount charged for a service contract.

(F) The total cash price, which is the sum of subparagraphs (A) to (E), inclusive.

(2) An itemization of the amounts to be paid to any public officer for license, certificate of title, motor vehicle smog impact fee, and registration.

(3) The aggregate amount of premiums agreed, upon execution of the contract, to be paid for policies of insurance included in the contract, excluding the amount of any insurance premium included in the finance charge.

(4) The amount of the state fee for issuance of a certificate of compliance, noncompliance, or waiver pursuant to any applicable pollution control statute.

(5) A subtotal representing the sum of the foregoing items.

(6) The amount of the buyer's downpayment itemized to show the following:

(A) The net agreed value of the property being traded in.

(B) The amount of any portion of the downpayment to be deferred until not later than the due date of the second regularly scheduled installment under the contract and which is not subject to a finance charge.

(C) The amount of any manufacturer's rebate applied or to be applied to the downpayment.

(D) The remaining amount paid or to be paid by the buyer as a

downpayment.

(7) The amount of any administrative finance charge, labeled "prepaid finance charge."

(8) The difference between item (5) and the sum of items (6) and (7), labeled "amount financed."

(b) No particular terminology is required to disclose the items set forth in subdivision (a) except as expressly provided in that subdivision.

(c) If payment of all or a portion of the downpayment is to be deferred, the deferred payment shall be reflected in the payment schedule disclosed pursuant to Regulation Z.

(d) If the downpayment includes property being traded in, the contract shall contain a brief description of that property.

(e) The contract shall contain the names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 is to be sent.

(f) (1) Where the contract includes a finance charge determined on the precomputed basis, the contract shall identify the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and contain a statement of the amount or method of computation of any charge that may be deducted from the amount of any unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the actuarial method if the computation will be under that method. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the Rule of 78's, the sum of the digits, or the sum of the periodic time balances method in all other cases, and those references shall be deemed to be equivalent for disclosure purposes.

(2) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, the contract shall contain a statement of that fact and the amount of the minimum finance charge or its method of calculation.

(g) (1) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you

prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(2) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(3) Where the contract includes a finance charge which is determined on the simple-interest basis, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(h) The contract shall contain a notice in at least 8-point boldface type, acknowledged by the buyer, that reads as follows:

"If you have a complaint concerning this sale, you should try to resolve it with the seller.

Complaints concerning unfair or deceptive practices or methods by the seller may be referred to the city attorney, the district attorney, or the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, California 95818, or any combination thereof.

After this contract is signed, the seller may not change the financing or payment terms unless you agree in writing to the change. You do not have to agree to any change, and it is an unfair or deceptive practice for the seller to make a unilateral change.

_____

Buyer's Signature"

(i) (1) The contract shall contain an itemization of any insurance

included as part of the amount financed disclosed pursuant to paragraph (3) of subdivision (a) and of any insurance included as part of the finance charge. The itemization shall identify the type of insurance coverage and the premium charged therefor, and, if the insurance expires before the date of the last scheduled installment included in the repayment schedule, the term of the insurance shall be stated.

(2) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof is to be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(j) (1) The dollar amount of the disclosed finance charge shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and $^{13}/_{24}$ of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650); or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect, or receive a finance charge which exceeds the disclosed finance charge, except to the extent (A) caused by the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) permitted by paragraph (2), (3), or (4) of subdivision (c) of Section 226.17 of Regulation Z, or (C) permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of the administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received, or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(4) When a contract provides for unequal or irregular payments, or payments on other than a monthly basis, the maximum finance charge shall be at the effective rate provided for in paragraph (1), having due regard for the schedule of installments.

(k) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the delinquent installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge unless the charge is permitted by Section 2982.3. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(*l*) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, including any additional finance charge imposed pursuant to Section 2982.8 or other additional charge imposed because the contract has been extended, deferred, or refinanced, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred, or refinanced, as so extended, deferred, or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which the payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (j), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (k) or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(m) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time that disclosure is made, except that permitted by paragraph (2) of subdivision (c) of Section 226.18 of Regulation Z, provided that all of the requirements and limitations set forth in subdivision (a) of this section are satisfied. Nothing in this chapter prohibits the disclosure in that contract of additional information required or permitted under Regulation Z, as in effect at the time that disclosure is made.

(n) If the seller imposes a fee for document preparation, the contract shall contain a disclosure that the fee is not a governmental fee.

(o) No seller may impose an application fee for a transaction governed by this chapter.

(p) The seller or holder may charge and collect a fee not to exceed fifteen dollars ($15) for the return by a depository institution of a

dishonored check, negotiated order of withdrawal, or share draft issued in connection with the contract, if the contract so provides or if the contract contains a generalized statement that the buyer may be liable for collection costs incurred in connection with the contract.

(q) The contract shall disclose on its face, by printing the word "new" or "used" within a box outlined in red, that is not smaller than one-half inch high and one-half inch wide, whether the vehicle is sold as a new vehicle, as defined in Section 430 of the Vehicle Code, or a used vehicle, as defined in Section 665 of the Vehicle Code.

SEC. 4. Section 18218.5 of the Financial Code is amended to read:

18218.5. With respect to a loan under this division, a fee not to exceed fifteen dollars ($15) for return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division or in determining the applicable maximum charges which may be made under this article.

SEC. 5. Section 22458.7 of the Financial Code is amended to read:

22458.7. With respect to a loan under this division, a fee not to exceed fifteen dollars ($15) for the return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division or in determining the applicable maximum charges which may be made under this article.

SEC. 6. Section 24458.7 of the Financial Code is amended to read:

24458.7. With respect to a loan under this division, a fee not to exceed fifteen dollars ($15) for the return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division or in determining the applicable maximum charges which may be made under this article.

SEC. 7. Section 26480 is added to the Financial Code, to read:

26480. With respect to a loan under this division, a fee not to exceed fifteen dollars ($15) for the return by a depository institution of a dishonored check, negotiable order of withdrawal, or share draft may be charged and collected by the licensee. The fee is not included in charges as defined in this division.

CHAPTER 102

An act to amend Section 798.25 of the Civil Code, relating to mobilehome parks.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 798.25 of the Civil Code is amended to read:

798.25. (a) When the management proposes an amendment to the park's rules and regulations, the management shall meet and consult with the homeowners in the park, their representatives, or both, after written notice has been given to all the homeowners in the park 10 days or more before the meeting. The notice shall set forth the proposed amendment to the park rules and regulations and shall state the date, time, and location of the meeting.

(b) Following the meeting and consultation with the homeowners, the noticed amendment to the park rules and regulations may be implemented, as to any homeowner, with the consent of that homeowner, or without the homeowner's consent upon written notice of not less than six months, except for regulations applicable to recreational facilities, which may be amended without homeowner consent upon written notice of not less than 60 days.

(c) Written notice to a homeowner whose tenancy commences within the required period of notice of a proposed amendment to the park's rules and regulations under subdivision (b) shall constitute compliance with this section where the written notice is given before the inception of the tenancy.

CHAPTER 103

An act to amend Section 678.1 of, and to add Section 678.2 to, the Insurance Code, relating to insurance.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 678.1 of the Insurance Code is amended to read:

678.1. (a) This section applies only to policies of insurance of commercial insurance which are subject to Sections 675.5 and 676.6.

(b) A notice of nonrenewal shall be in writing and shall be delivered or mailed to the producer of record and to the named insured at the mailing address shown on the policy. Subdivision (a)

of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed.

(c) An insurer, at least 60 days, but not more than 120 days, in advance of the end of the policy period, shall give notice of nonrenewal, and the reasons for the nonrenewal, if the insurer intends not to renew the policy, or to condition renewal upon reduction of limits, elimination of coverages, increase in deductibles, or increase of more than 25 percent in the rate upon which the premium is based.

(d) If an insurer fails to give timely notice required by subdivision (c), the policy of insurance shall be continued, with no change in its terms or conditions, for a period of 60 days after the insurer gives the notice.

(e) With respect to policies defined in subdivision (b) of Section 676.6, in addition to the bases for conditional renewal set forth in subdivision (c), an insurer may also condition renewal upon requirements relating to the underlying policy or policies. If the requirements are not satisfied as of (1) the expiration date of the policy, or (2) 30 days after mailing or delivery of such notice, whichever is later, the conditional renewal notice shall be treated as an effective notice of nonrenewal, providing the insurer has sent written confirmation to the first named insured and the producer of record that the conditions were not met and that coverage ceased at the expiration date shown in the expiring policy.

(f) A notice of nonrenewal shall not be required in any of the following situations:

(1) The transfer of, or renewal of, a policy without a change in its terms or conditions or the rate on which the premium is based between insurers which are members of the same insurance group.

(2) The policy has been extended for 90 days or less, if the notice required in subdivision (c) has been given prior to the extension.

(3) The named insured has obtained replacement coverage or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

(4) The policy is for a period of no more than 60 days and the insured is notified at the time of issuance that it may not be renewed.

(5) The named insured requests a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.

(6) The insurer has made a written offer to the insured, within the time period specified in subdivision (c), to renew the policy under changed terms or conditions or at a changed premium rate. As used herein, "terms or conditions" includes, but is not limited to, a reduction in limits, elimination of coverages, or an increase in deductibles.

SEC. 2. Section 678.2 is added to the Insurance Code, to read:

678.2. The provisions of subdivisions (c) and (e) of Section 678.1 which prohibit notice of nonrenewal earlier than 120 days in advance of the end of the policy period shall not apply to professional liability

policies issued to health care providers.

CHAPTER 104

An act to amend Section 25304 of the Elections Code, relating to elections.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 25304 of the Elections Code is amended to read:

25304. In any county or any judicial district in which only the incumbent has filed nomination papers for the office of superior court judge, municipal court judge, justice court judge, or constable of a justice court, his or her name shall not appear on the ballot unless there is filed with the elections official, within 10 days after the final date for filing nomination papers for the office, a petition indicating that a write-in campaign will be conducted for the office and signed by 100 registered voters qualified to vote with respect to the office.

If a petition indicating that a write-in campaign will be conducted for the office at the general election, signed by 100 registered voters qualified to vote with respect to the office, is filed with the elections official not less than 83 days before the general election, the name of the incumbent shall be placed on the general election ballot if it has not appeared on the direct primary election ballot.

If, in conformity with this section, the name of the incumbent does not appear either on the primary ballot or general election ballot, the elections official, on the day of the general election, shall declare the incumbent reelected. Certificates of election specified in Section 17112 or 17123 shall not be issued to a person reelected pursuant to this section before the day of the general election.

CHAPTER 105

An act to add Section 16952.5 to the Welfare and Institutions Code, relating to county health services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 16952.5 is added to the Welfare and Institutions Code, to read:

16952.5. (a) Notwithstanding subdivision (g) of Section 16952, expenses incurred by Solano County for the development of managed care systems to increase access for indigents to physician emergency services shall be reimbursed subject to the availability of unexpended 1990–91 and 1991–92 fiscal year funds, up to a maximum of four hundred thousand dollars ($400,000).

(b) The county shall consult with the local medical society before seeking reimbursement pursuant to this subdivision.

SEC. 2. Due to unique facts and circumstances applicable to Solano County, it is necessary to limit the applicability of this act to Solano County, because Solano County is the only one of three recently authorized counties that is scheduled to proceed with the operation of its county organized health system consistent with federal and state law on January 1, 1994, and 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. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify Solano County's ability to use funds from the Physician Services Account in the Cigarette and Tobacco Products Surtax Fund to deal with the immediate and urgent problem of indigent access to necessary medical care, it is necessary that this act take effect immediately.

CHAPTER 106

An act to add Section 11020.1 to the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 11020.1 is added to the Government Code, to read:

11020.1. Notwithstanding Section 11020, the Department of Motor Vehicles may reduce its hours of service for transacting business during the period between 8 a.m. to 5 p.m., inclusive, Monday to Friday, inclusive, in order to ensure that service for transacting business may be provided within existing resources

before 8 a.m. or after 5 p.m., Monday to Friday, inclusive, or on Saturday. This authority may not be exercised so as to do any of the following:

(a) Conflict with subdivision (b) of Section 11020.

(b) Require a full-time employee to work in excess of five consecutive days as part of a regular workweek of 40 hours.

(c) Relieve the department of any obligation under an approved memorandum of understanding relating to hours of work, overtime, or alternative work schedules.

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 Department of Motor Vehicles the necessary authority to reduce its hours of service for transacting business during the regular workweek at the earliest possible time, thereby allowing the department to ensure that service may be provided before 8 a.m. or after 5 p.m., Monday to Friday, inclusive, and on Saturday, it is necessary that this act take effect immediately.

CHAPTER 107

An act to repeal Section 855 of, and to repeal Article 1.5 (commencing with Section 865) of Chapter 7 of Division 1 of, the Financial Code, relating to financial institutions.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 855 of the Financial Code is repealed.

SEC. 2. Article 1.5 (commencing with Section 865) of Chapter 7 of Division 1 of the Financial Code is repealed.

SEC. 3. The federal deposit disclosure laws largely cover the subject matter of the California deposit disclosure laws. Although the federal deposit disclosure laws differ in many respects from the California deposit disclosure laws, the differences are mainly in points of detail, and the federal deposit disclosure laws provide adequate safeguards for consumers.

Subdivision (g) of Section 865.6 of the Financial Code provides that banks shall not be liable for any failure to comply with the disclosure law to the extent that its provisions are inconsistent with federal statutes or regulations. Because of the many differences between state and federal disclosure laws, several provisions of the California deposit disclosure laws were repealed on a de facto basis with the enactment of the federal deposit disclosure laws.

It would not be in the public interest to continue to require banks

to comply with, and regulatory agencies to enforce, both the California deposit disclosure laws and the federal deposit disclosure laws.

Considering all the relevant circumstances, it is appropriate that the California deposit disclosure laws be repealed.

CHAPTER 108

An act to add Section 72408 to the Government Code, relating to courts.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 72408 is added to the Government Code, to read:

72408. (a) Notwithstanding Section 72400, in Santa Barbara County, upon adoption of a resolution described in subdivision (b) by the board of supervisors, the judges of the municipal court may appoint a traffic referee or a hearing officer who may hear traffic matters and exercise the powers of a traffic referee. Either the traffic referee or the hearing officer shall hold office at the pleasure of the judges of the municipal court.

(b) The county shall be bound by, and the resolution adopted by the board of supervisors shall specifically recognize, the following conditions:

(1) The county has sufficient funds for the support of either position and any staff who will provide direct support to the position, agrees to assume any additional costs that may result therefrom, and agrees that no state funds shall be made available, or shall be used, in support of this position or any staff who provide direct support to this position.

(2) Neither the traffic referee nor the hearing officer shall be deemed a judicial position for purposes of calculating trial court funding pursuant to Section 77202.

(3) The salary for either position and for any staff who provide direct support to the position shall not be considered as part of court operations for purposes of Sections 77003 and 77204.

(4) The county agrees not to seek funding from the state for payment of the salary, benefits, or other compensation for such a referee or hearing officer or for any staff who provide direct support to the position.

CHAPTER 109

An act to amend Sections 19815, 19849.11, 19849.13, 19850.1, 19853, 19858.1, 19859.3, 19879, 19880, 19991.6, 19994.20, 20017.82, 20017.99, and 20022.05 of the Government Code, relating to state employees.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 19815 of the Government Code is amended to read:

19815. As used in this part:

(a) "Department" means the Department of Personnel Administration.

(b) "Director" means the Director of the Department of Personnel Administration.

(c) "Division" means the Division of Labor Relations.

(d) "Employee" or "state employee," except where otherwise indicated, means employees subject to the Ralph C. Dills Act (Chapter 10.3 (commencing with Section 3512), Division 4, Title 1), supervisory employees as defined in subdivision (g) of Section 3513, managerial employees as defined in subdivision (e) of Section 3513, confidential employees as defined in subdivision (f) of Section 3513, employees of the Legislative Counsel Bureau, employees of the Bureau of State Audits, employees of the Public Employment Relations Board, employees of the California Maritime Academy, conciliators employed by the State Conciliation Service within the Department of Industrial Relations, employees of the Department of Personnel Administration, professional employees of the Department of Finance engaged in technical or analytical state budget preparation other than audit staff, intermittent athletic inspectors who are employees of the State Athletic Commission, professional employees in the Personnel/Payroll Services Division of the Controller's office and all employees of the executive branch of government who are not elected to office.

SEC. 2. Section 19849.11 of the Government Code is amended to read:

19849.11. The Department of Personnel Administration, subject to such conditions as it may establish, subject to existing statutes governing health benefits and group term life insurance offered through the Public Employees' Retirement System, and subject to all other applicable provisions of state law, may enter into contracts for the purchase of employee benefits with respect to managerial and confidential employees as defined by subdivisions (e) and (f) of Section 3513, and employees excluded from the definition of state employee in subdivision (c) of Section 3513, and officers or employees of the executive branch of government who are not

members of the civil service, and supervisory employees as defined in subdivision (g) of Section 3513. Benefits shall include, but not be limited to, group life insurance, group disability insurance, long-term disability insurance, group automobile liability and physical damage insurance, and homeowners' and renters' insurance.

The department may self-insure the long-term disability insurance program if it is cost-effective to do so.

If it is determined that a self-insured long-term disability insurance program will be established, the department shall provide its cost analysis to the Joint Legislative Budget Committee at least 30 days prior to initiating the establishment of the program.

SEC. 3. Section 19849.13 of the Government Code is amended to read:

19849.13. Notwithstanding Sections 19839, 19858.1, 19858.3, 19858.4, 19859, and 19859.3, the Department of Personnel Administration may provide for vacation, sick leave, annual leave, and bereavement leave benefits, including the lump-sum payment of any amount of accumulated leave, with respect to each state officer and employee who either is excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service.

SEC. 4. Section 19850.1 of the Government Code is amended to read:

19850.1. (a) State employees shall be responsible for the purchase of uniforms required as a condition of employment. The state shall provide for an annual uniform allowance to state employees for the replacement of uniforms worn on a full-time basis, and an annual uniform allowance to state employees for the replacement of uniforms worn on a part-time basis, in amounts agreed upon in a memorandum of understanding reached pursuant to Section 3517.5.

(b) Notwithstanding the provisions of subdivision (a), the state shall provide any employee, who is either excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, an annual uniform allowance for the replacement of uniforms worn on a full-time basis, and an annual uniform allowance for the replacement of uniforms worn on a part-time basis, in amounts determined by the department.

SEC. 5. Section 19853 of the Government Code is amended to read:

19853. (a) Except as provided in subdivision (c), all employees shall be entitled to the following holidays: January 1, the third Monday in January, February 12, the third Monday in February, the last Monday in May, July 4, the first Monday in September, the second Monday in October, November 11, the day after Thanksgiving, December 25, the day chosen by an employee

pursuant to the provisions of Section 19854, and every day appointed by the Governor of this state for a public fast, thanksgiving, or holiday.

When a day herein listed falls on a Sunday, the following Monday shall be deemed to be the holiday in lieu of the day observed. If November 11th falls upon a Saturday, the preceding Friday shall be deemed to be the holiday in lieu of the day observed. Any employee who may be required to work on any of the holidays herein mentioned, and who does work on any of these holidays, shall be entitled to be paid compensation or given compensating time off for that work in accordance with their classification's assigned workweek group. For the purpose of computing the number of hours worked, time when an employee is excused from work because of holidays, sick leave, vacation, annual leave, or compensating time off, shall be considered as time worked by the employee.

(b) If the provisions of subdivision (a) 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 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.

(c) Any employee, who is either excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, shall be entitled to the following holidays, with pay, in addition to any official state holiday appointed by the Governor:

(1) January 1, the third Monday in January, February 12, the third Monday in February, the last Monday in May, July 4, the first Monday in September, the second Monday in October, November 11, Thanksgiving Day, the day after Thanksgiving, December 25, and any personal holiday chosen pursuant to Section 19854. The department head or designee may require an employee to provide five working days' advance notice before a personal holiday is taken, and may deny use subject to operational needs.

(2) When November 11 falls on a Saturday, employees shall be entitled to the preceding Friday as a holiday with pay.

(3) When a holiday, other than a personal holiday or November 11, falls on a Saturday, an employee shall, regardless of whether he or she works on the holiday, only accrue an additional eight hours of personal holiday credit per fiscal year for the holiday. The holiday credit shall be accrued on the actual date of the holiday and shall be used within the same fiscal year.

(4) When a holiday other than a personal holiday falls on Sunday, employees shall be entitled to the following Monday as a holiday with pay.

(5) Employees who are required to work on a holiday shall be entitled to pay or compensating time off for this work in accordance

with their classification's assigned workweek group.

(6) Less than full-time employees shall receive holidays in accordance with Department of Personnel Administration rules.

SEC. 6. Section 19858.1 of the Government Code is amended to read:

19858.1. (a) Except as provided in subdivision (c), following completion of six months of continuous service, for each completed calendar month of service, except as provided in Section 19858.2, each state officer and employee who is employed full time shall receive credit for vacation with pay in accordance with the following schedule:

1 month to 3 years	5/6 day per month
37 months to 10 years	1¼ days per month
121 months to 15 years	1 5/12 days per month
181 months to 24 years	1 7/12 days per month
289 months and over	1⅔ days per month

The computation of credit for the month of January 1964, and each month thereafter, shall be based upon the schedule set forth in this subdivision, except that the rate of vacation credit allowed shall not be reduced for any officer or employee employed prior to January 1, 1964. The time when vacation shall be taken shall be determined by the appointing power of the officer or employee.

(b) If the provisions of subdivision (a) 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 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.

(c) Following completion of six months of continuous service, for each completed calendar month of service, except as provided in Section 19858.2, each state officer and employee who is employed full time and is either excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, shall receive credit for vacation in accordance with the following schedule:

1 month to 3 years	⅞ day per month
37 months to 10 years	1⅜ days per month
121 months to 15 years	1⅝ days per month
181 months to 20 years	1¾ days per month
241 months to 25 years	1⅞ days per month
301 months and over	2 days per month

The time when vacation shall be taken shall be determined by the appointing power of the officer or employee.

SEC. 7. Section 19859.3 of the Government Code is amended to

read:

19859.3. (a) Any permanent employee who is either excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, shall be granted bereavement leave with pay for the death of a person related by blood, adoption, or marriage, or any person residing in the immediate household of the employee at the time of death. The employee shall give advance notice to the employee's immediate supervisor and shall provide substantiation to support the request.

(b) For any one occurrence, the bereavement leave shall not exceed three days. However, if the death occurred outside this state, a request for two additional days of bereavement leave shall be granted, at the option of the employee, as either without pay or as a charge against any accrued sick leave credit.

(c) If additional bereavement leave is necessary, the employee may use accrued vacation, compensating time off, or take an authorized leave without pay, subject to the approval of the appointing power.

SEC. 8. 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 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 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.

SEC. 9. Section 19880 of the Government Code is amended to read:

19880. A disabled employee is eligible to receive nonindustrial disability benefits under this article equal to one-seventh of his or her weekly benefit amount specified in Section 19879 for each full day during which he or she is unemployed due to a disability only if the Director of Employment Development finds that:

(a) He or she has made a claim for disability benefits as required by authorized regulations.

(b) He or she has been disabled for a waiting period of seven consecutive days during each disability benefit period, with respect to which waiting period no benefits under this article are payable, except for confinement in a hospital or nursing home for at least one day.

(c) He or she has exhausted all the leave to which he or she was entitled under Article 3 (commencing with Section 19859). A person who elects to use vacation credits or sick leave credits prior to receiving nonindustrial disability benefits is not required to exhaust the leave, as described in this subdivision, if he or she is a permanent employee who meets any of the following criteria:

(1) Is excluded from the definition of state employee contained in subdivision (c) of Section 3513.

(2) Is a nonelected officer or employee of the executive branch of state government and is not a member of the civil service.

(d) Except for an individual described in Section 2709 of the Unemployment Insurance Code, he or she has submitted to any reasonable examinations as the Director of Employment Development may require for the purpose of determining his or her mental or physical disability.

(e) He or she has filed a certificate described in Section 2708 or 2709 of the Unemployment Insurance Code.

(f) Except as otherwise provided, he or she meets, in all other respects, the eligibility requirements imposed on individuals by Part 2 (commencing with Section 2601) of Division 1 of the Unemployment Insurance Code for receipt of unemployment compensation disability benefits.

In case of any conflict between Part 2 (commencing with Section 2601) of the Unemployment Insurance Code and this chapter, this chapter shall prevail.

If the provisions of this section 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 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.

SEC. 10. Section 19991.6 of the Government Code is amended to read:

19991.6. (a) Except as provided in subdivision (c), an appointing power shall grant a leave of absence without pay for the purposes of pregnancy, childbirth or the recovery therefrom for a period as determined by the employee not exceeding one year to any permanent female employee under the jurisdiction of the appointing power. When the employee has notified the appointing power as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the appointing power.

(b) If the provisions of subdivision (a) 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.

(c) For an employee who is excluded from the definition of state employee in subdivision (c) of Section 3513, the following shall apply:

(1) An appointing power shall grant a female permanent employee's request for a leave of absence without pay for the purposes of pregnancy, childbirth, or the recovery therefrom, for a period not to exceed one year. When the employee has notified the appointing power as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the appointing power.

(2) An appointing power shall grant the request of a male spouse who is a permanent employee or a male parent who is a permanent employee for a leave of absence without pay for a period not to exceed one year to care for his newborn child. When the employee has notified the appointing power as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the appointing power.

(3) An appointing power may grant a permanent employee's request for a leave of absence without pay for the adoption of a child for a period not to exceed one year. The employee shall provide substantiation to support the employee's request for adoption leave. When the employee has notified the appointing power as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the appointing power.

SEC. 11. Section 19994.20 of the Government Code is amended to read:

19994.20. (a) The department may meet and confer with representatives of the recognized employee organization for any

appropriate unit pursuant to the Ralph C. Dills Act on the implementation of an accident prevention incentive award program covering employees in that unit. The purpose of the program shall be to reduce, through the cooperative effort of labor and management, the number of on-the-job injuries to, and the use of sick leave by, state employees.

(b) The department may fix the cost or pro rata share, or in its discretion an amount it considers equivalent to the cost or pro rata share, and collect from each state agency in advance or upon any other basis it may determine, the cost of administering the workers' compensation insurance program.

(c) The department shall report to the Legislature annually on the success of any programs implemented pursuant to this section.

SEC. 12. Section 20017.82 of the Government Code is amended to read:

20017.82. "State safety member" also includes officers and employees with the State Department of Mental Health or the Department of Forestry and Fire Protection in the following classifications:

Classification Code	Classification Title
8094	Registered Nurse (forensic facility)
2861	Audio Visual Specialist (correctional facility)
2860	Audio Visual Assistant (correctional facility)

"State safety member" also includes an officer or employee of the State Department of Mental Health at Patton State Hospital or Atascadero State Hospital, who either is excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service. An officer or employee may be a state safety member under this paragraph only if the person has responsibility for the supervision of state safety personnel specified in the classifications listed in this section and if the State Personnel Board determines that these officers and employees meet the state safety membership criteria established pursuant to Section 18717. The Department of Personnel Administration shall determine which classes meet the above conditions and report its findings to the Public Employees' Retirement System, whereupon the change in membership categories shall take effect.

Any person so designated pursuant to this section may elect, within 90 days of notification by the board, to remain subject to the miscellaneous service retirement benefit and contribution rate by filing an irrevocable notice of election with the board. A member who so elects shall be subject to the reduced benefit factors specified

in Section 21251.13 only for service also included in the federal system.

SEC. 13. Section 20017.99 of the Government Code is amended to read:

20017.99. "State peace officer/firefighter member" also includes state officers and employees designated as peace officers as defined in Sections 830.1, 830.2, 830.3, 830.38, 830.4, and 830.5 of the Penal Code, except a patrol member, or a firefighter whose principal duties consist of active firefighting/fire suppression, who is either excluded from the definition of state employee in subdivision (c) of Section 3513 or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, provided, that those officers and employees have responsibility for the direct supervision of state peace officer/firefighter personnel specified in Sections 20017.95, 20017.96, 20017.97, and 20017.98. The Department of Personnel Administration shall annually determine which classes meet the above conditions and are not classes specified in Sections 20017.95, 20017.96, 20017.97, and 20017.98, and report its findings to the Legislature and to the Public Employees' Retirement System, to be effective July 1 of each year.

Any person so designated may elect, within 90 days of notification by the board, to remain subject to the service retirement benefit and the normal rate of contribution applicable prior to the effective date of this section by filing an irrevocable notice of election with the board. A member who so elects shall be subject to the reduced benefit factors specified in Section 21251.13 only for service also included in the federal system.

This section shall not become applicable to any member so designated until such time as a ruling or regulation authorizing the inclusion of persons so designated within the definition of "policeman or fireman" is issued by the federal agency for purposes of Section 218(d) (5) (A) of the Social Security Act.

SEC. 14. Section 20022.05 of the Government Code is amended to read:

20022.05. (a) Subdivision (a) of Section 20022 provides that compensation includes any special compensation for performing normally required duties such as holiday pay, bonuses (for duties performed on regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, POST certificate pay, split shift differential and substitute differential in Sections 45196 and 88196 of the Education Code, except for those items excluded from compensation by Section 20022.2; and includes compensation for uniforms, except as provided in Section 20022.2; and subdivision (b) of Section 20022 excludes from compensation special compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobile, bonuses for duties performed after regular work shift.

(b) Notwithstanding subdivision (a), the Department of Personnel Administration shall determine which payments and allowances that are paid by the state employer will be considered compensation for retirement purposes for any employee who either is excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service.

(c) Notwithstanding subdivision (a), the Trustees of the California State University shall determine which payments and allowances that are paid by the trustees will be considered compensation for retirement purposes for any managerial employee as defined in subdivision (*l*) of Section 3562, or supervisory employee as defined in Section 3580.3.

(d) Notwithstanding any other provision of this part, all special compensation, as special compensation is defined in Section 20022, heretofore reported or not reported is hereby ratified, confirmed, and validated.

(e) Any statutory reference to Section 20022 shall also be a reference to this section.

CHAPTER 110

An act to amend Section 99285 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 99285 of the Public Utilities Code is amended to read:

99285. (a) The county transportation commissions created pursuant to Division 12 (commencing with Section 130000) shall submit to the transportation planning agency those claims to be funded, and the transportation planning agency shall approve only those claims submitted.

(b) Each commission shall adopt appropriate criteria by which claims shall be analyzed and evaluated, and shall approve only those claims which will provide for a coordinated public transportation system consistent with the adopted transportation improvement program and adopted regional transportation plan and which will not result in undesirable duplication of public transportation services.

(c) In considering proposals, the Los Angeles County Metropolitan Transportation Authority shall consider, among other things, the fare revenue to operating cost ratio and the public transit

service mileage of each operator in the authority operating area, but under no circumstances shall the included municipal operators in existence and receiving formula allocation program funding on July 1, 1990, receive less than 15 percent of the funds allocated under that program from state and federal funding sources.

(d) Subdivision (c) shall only remain in effect until the Los Angeles County Metropolitan Transportation Authority has, following a public hearing, adopted a formula for the allocation of funds available in the authority operating area to the authority operator and eligible "included municipal operators" as defined in subdivisions (a) and (d) of Section 99207.

The formula adopted by the Los Angeles County Metropolitan Transportation Authority shall be the same as the formula in existence on July 1, 1990, and shall remain in effect for at least five full fiscal years, commencing with the 1993–94 fiscal year. The authority shall not reduce the total percentage share of revenues allocated during the 1990–91 fiscal year to the included municipal operators, as a whole, in existence on July 1, 1990, for at least five full fiscal years, commencing with the 1993–94 fiscal year. If a municipal operator significantly reduces service, a proportional share of that operator's funds allocated pursuant to this section may be reallocated.

(e) For a period of at least five full fiscal years, commencing with the 1993–94 fiscal year, in the interest of promoting efficiency, any included municipal operator having operating costs less than the regional bus system operated by the Los Angeles County Metropolitan Transportation Authority shall be allocated not less than the same proportion of available funds allocated to that operator on July 1, 1990.

(f) (1) For the 1998–99 and subsequent fiscal years, a two-thirds vote of the members of the Los Angeles County Metropolitan Transportation Authority shall be required in order to adopt or modify the formula for allocation of funds available in the authority operating area to the authority operator and included municipal operators as defined in subdivisions (a) and (d) of Section 99207. Subdivision (c) shall be applicable if the authority fails to adopt a formula.

(2) A two-thirds vote of the members shall be required in order to establish or change the criteria for admitting new included municipal operators for eligibility for funds allocated under Article 4 (commencing with Section 99260).

(3) A two-thirds vote of the members shall be required, based on the criteria in effect under paragraph (2), to allocate funds under Article 4 (commencing with Section 99260) to any "included municipal operator," as defined in subdivision (d) of Section 99207, which has not previously received funds under this article.

(g) The Los Angeles County Metropolitan Transportation Authority shall give equal consideration to the capital projects of all operators in the county, and shall allocate available regional bus

transit capital funds based on objective criteria adopted by a two-thirds vote of the members.

(h) It is the intent of the Legislature that neither this section nor the creation of the Los Angeles County Metropolitan Transportation Authority and its operating organizational unit shall impact the allocation of funds pursuant to Article 8 (commencing with Section 99400) by local agencies currently eligible to receive these funds.

CHAPTER 111

An act to amend Section 18986.40 of the Welfare and Institutions Code, relating to minors.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 18986.40 of the Welfare and Institutions Code is amended to read:

18986.40. (a) For the purposes of this chapter, "integrated children's services programs" means programs established by county governments, local education agencies, or consortia of public and private agencies, to jointly provide two or more of the following services to children or their families, or both:

(1) Educational services for children at risk of dropping out, or who need additional educational services to be successful academically.

(2) Health care.

(3) Mental health services.

(4) Substance abuse prevention and treatment.

(5) Child abuse prevention, identification, and treatment.

(6) Nutrition services.

(7) Child care and development services.

(8) Juvenile justice services.

(9) Child welfare services.

(10) Early intervention and prevention services.

(11) Crisis intervention services, as defined in subdivision (c).

(12) Any other service which will enhance the health, development, and well-being of children and their families.

(b) For the purposes of this chapter, "children's multidisciplinary services team" means a team of two or more persons trained and qualified to provide one or more of the services listed in subdivision (a), who are assigned the responsibility for identifying the educational, health, or social service needs of a child and his or her family, and for developing a plan to address those needs.

(c) "Crisis intervention services" means early support and psychological assistance, to be continued as necessary, to children

who have been victims of, or whose lives have been affected by, a violent crime or a cataclysmic incident, such as a natural disaster, or who have been involved in school, neighborhood, or family based critical incidents likely to cause profound psychological effects if not addressed immediately and thoroughly.

CHAPTER 112

An act to amend Sections 45246, 45249, 88066, and 88069 of the Education Code, relating to classified employees.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 45246 of the Education Code is amended to read:

45246. (a) Within 30 days after adoption of the system, the governing board shall publicly announce its intended appointee or appointees, as appropriate, and the appointee or appointees, as appropriate, nominated by its classified employees. As soon after their appointment as practicable but within 30 days, the appointed members shall announce their intended appointee for the third or fifth member, as appropriate. They may consider the recommendations of the governing board, the classified employees, or other concerned citizens. If these members do not announce their intended appointee within the 30-day period, the Superintendent of Public Instruction shall make the appointment.

"Adoption of the system" means, in the case of Section 45221, the day on which a successful election is certified to the governing board or, in the case of Section 45224, the day the governing board approves a motion, order, or resolution to adopt the system regardless of the date specified for operational commencement of the system.

(b) Where a system is already in existence and a vacancy will exist on December 1, by not later than September 30:

(1) The governing board shall publicly announce the name of the person it intends to appoint or reappoint, if the vacancy is its appointee.

(2) The appointee or appointees, as appropriate, of the governing board and the appointee or appointees of the classified employees shall publicly announce the name of the person they intend to appoint, if the vacancy is their appointee.

If the governing board and the classified employees of the district are unable to agree upon a nomination by September 30, the Superintendent of Public Instruction shall make the appointment within 30 days.

(c) Where a system is already in existence and a vacancy in a

position nominated by the classified employees will occur, the classified employees shall submit the name of its nominee to the governing board at least 30 days prior to the date on which the vacancy will occur and the governing board shall appoint that nominee to be effective on the date on which the vacancy would occur.

(d) At a board meeting to be held after 30 and within 45 days of the dates specified in subdivision (a) and paragraph (1) of subdivision (b), as the case may be, the governing board in open hearing shall provide the public and employees and employee organizations the opportunity to express their views on the qualifications of those persons recommended by the governing board for appointment.

The board at the time may make its appointment or may make a substitute appointment or recommendation without further notification or public hearing.

In the case of the nominees of the classified employees, the board shall appoint the nominee, unless the classified employees voluntarily withdraw the name of the nominee and submit the name of a new nominee. In the latter case, the board then shall appoint the new nominee.

(e) In the event a vacancy exists because of a failure of the classified employees to agree on a nominee, the board may make an emergency appointment as authorized in subdivision (b) of Section 45248. If there is no personnel director, the board nevertheless may make an emergency interim appointment under this subdivision.

(f) At the next regularly scheduled personnel commission meeting to be held after 30 days from adoption of the system, as specified in subdivision (a), or at the next regularly scheduled personnel commission meeting to be held after 30 days from the day the intended appointee is announced, as specified in paragraph (2) of subdivision (b), as the case may be, the appointee or appointees of the governing board and the appointee or appointees nominated by the classified employees shall, in an open hearing, provide the public and employees and employee organizations the opportunity to express their views on the qualifications of each candidate recommended for the vacancy. Each candidate shall be invited to this meeting.

The appointee or appointees of the governing board and the appointee or appointees nominated by the classified employees may make their appointment or may make a substitute appointment or recommendation without further notification or public hearing.

(g) A commissioner whose term has expired may continue to discharge the duties of the office until a successor is appointed, but for no more than 90 calendar days.

SEC. 2. Section 45249 of the Education Code is amended to read:

45249. In a school district that has already adopted this article on September 17, 1965, members of the personnel commission shall be appointed by the Superintendent of Public Instruction who shall

consider the recommendation of the governing board and other interested parties. If the governing board and the personnel commission of a school district elect to increase the personnel commission from three to five members, the Superintendent of Public Instruction shall make the additional appointments. Subsequent appointments shall be made in accordance with this section.

No later than 90 days prior to making the appointment, the Superintendent of Public Instruction shall notify the classified employees and the governing board, in writing, of the vacancy on the personnel commission and provide them with guidelines and procedures for making a recommendation and challenging a nomination. If a vacancy occurs during the term of a member of the personnel commission, the superintendent may appoint a new member after providing the foregoing notice no later than 30 days prior to making the appointment.

A commissioner whose term has expired may continue to discharge the duties of the office until a successor is appointed but for no more than 90 calendar days.

As used in this section, "classified employees" means an organization of classified employees that represents the greatest number of classified employees of the district as determined by the board. If no such organization exists within the district, the governing board, by written rule, shall prescribe the method by which the recommendation is to be made by its classified employees.

SEC. 3. Section 88066 of the Education Code is amended to read:

88066. (a) Within 30 days after adoption of the system the governing board shall publicly announce its intended appointee, and the appointee or appointees, as appropriate, nominated by its classified employees. As soon after their appointment as practicable but within 30 days, the appointed members shall announce their intended appointee for the third or fifth member, as appropriate. They may consider the recommendations of the governing board, the classified employees, or other concerned citizens. If these members do not announce their intended appointee within the 30-day period, the Superintendent of Public Instruction shall make the appointment.

"Adoption of the system" means, in the case of Section 88051, the day on which a successful election is certified to the governing board or, in the case of Section 88054, the day the governing board approves a motion, order, or resolution to adopt the system regardless of the date specified for operational commencement of the system.

(b) Where a system is already in existence and a vacancy will exist on December 1, by not later than September 30:

(1) The governing board shall publicly announce the name of the person it intends to appoint or reappoint, if the vacancy is its appointee.

(2) The appointee or appointees, as appropriate, of the governing board and the appointee or appointees of the classified employees

shall publicly announce the name of the person they intend to appoint, if the vacancy is their appointee.

If the governing board and the classified employees of the district are unable to agree upon a nomination by September 30, the Superintendent of Public Instruction shall make the appointment within 30 days.

(c) Where a system is already in existence and a vacancy in a position nominated by the classified employees will occur, the classified employees shall submit the name of its nominee to the governing board at least 30 days prior to the date on which the vacancy will occur and the governing board shall appoint that nominee to be effective on the date on which the vacancy would occur.

(d) At a board meeting to be held after 30 and within 45 days of the dates specified in subdivision (a) and paragraph (1) of subdivision (b), as the case may be, the governing board in open hearing shall provide the public and employees and employee organizations the opportunity to express their views on the qualifications of those persons recommended by the governing board for appointment.

The board at the time may make its appointment or may make a substitute appointment or recommendation without further notification or public hearing.

In the case of the nominees of the classified employees, the board shall appoint the nominee, unless the classified employees voluntarily withdraw the name of the nominee and submit the name of a new nominee. In the latter case, the board shall then appoint the new nominee.

(e) In the event a vacancy exists because of a failure of the classified employees to agree on a nominee, the board may make an emergency appointment as authorized in subdivision (b) of Section 88065. If there is no personnel director, the board may nevertheless make an emergency interim appointment under this subdivision.

(f) At the next regularly scheduled personnel commission meeting to be held after 30 days from adoption of the system, as specified in subdivision (a), or at the next regularly scheduled personnel commission meeting to be held after 30 days from the day the intended appointee is announced, as specified in paragraph (2) of subdivision (b), as the case may be, the appointee or appointees of the governing board and the appointee or appointees nominated by the classified employees shall, in an open hearing, provide the public and employees and employee organizations the opportunity to express their views on the qualifications of each candidate recommended for the vacancy. Each candidate shall be invited to this meeting.

The appointee or appointees of the governing board and the appointee or appointees nominated by the classified employees may make their appointment or may make a substitute appointment or recommendation without further notification or public hearing.

(g) A commissioner whose term has expired may continue to discharge the duties of the office until a successor is appointed, but for no more than 90 calendar days.

SEC. 4. Section 88069 of the Education Code is amended to read:

88069. In a community college district that has already adopted this article on September 17, 1965, members of the personnel commission shall be appointed by the Chancellor of the California Community Colleges who shall consider the recommendation of the governing board and other interested parties.

If the governing board and the personnel commission of a community college district elect to increase the personnel commission from three to five members, the Chancellor of the California Community Colleges shall make one of the additional appointments. Subsequent appointments shall be made in accordance with this section.

No later than 90 days prior to making the appointment, the Chancellor of the California Community Colleges shall notify the classified employees and the governing board in writing of the vacancy on the personnel commission and provide them with guidelines and procedures for making a recommendation and challenging a nomination. If a vacancy occurs during the term of a member of the personnel commission, the chancellor may appoint a new member after providing the foregoing notice no later than 30 days prior to making the appointment.

A commissioner whose term has expired may continue to discharge the duties of the office until a successor is appointed but for no more than 90 calendar days.

As used in this section, "classified employees" means an organization of classified employees that represents the greatest number of classified employees of the district as determined by the board. If no such organization exists within the district, the governing board, by written rule, shall prescribe the method by which the recommendation is to be made by its classified employees.

CHAPTER 113

An act to amend Sections 1357, 1357.03, 1357.04, 1357.09, 1357.12, and 1357.14 of the Health and Safety Code, and to amend Sections 10198.6, 10700, 10704, 10705, 10706.5, and 10714 of, and to amend and renumber the heading of Chapter 14 (commencing with Section 10700) of Part 2 of Division 1 of, the Insurance Code, relating to health insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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

SECTION 1. Section 1357 of the Health and Safety Code is amended to read:

1357. As used in this article:

(a) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health care plan contract covering the employee.

(b) "Eligible employee" means any permanent employee who is actively engaged on a full-time basis in the conduct of the business of the small employer with a normal workweek of at least 30 hours, at the small employer's regular places of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business and included as employees under a health care plan contract of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis.

(c) "In force business" means an existing health benefit plan contract issued by the plan to a small employer.

(d) "Late enrollee" means an eligible employee or dependent who has declined enrollment in a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan and who subsequently requests enrollment in a health benefit plan of that small employer; provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if: (1) the individual meets all of the following: (A) he or she was covered under another employer health benefit plan at the time the individual was eligible to enroll; (B) he or she certified at the time of the initial enrollment that coverage under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee; (C) he or she has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual or of a person through whom the individual was covered as a dependent, termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through whom the individual was covered as a dependent, or divorce; and (D) he or she requests enrollment within 30 days after termination of coverage or

employer contribution toward coverage provided under another employer health benefit plan; (2) the employer offers multiple health benefit plans and the employee elects a different plan during an open enrollment period; (3) a court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order; (4) the plan cannot produce a written statement from the employer stating that the individual or the person through whom the individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed acknowledgment of an explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion, unless the individual meets the criteria specified in paragraph (1), (2), or (3).

(e) "New business" means a health care service plan contract issued to a small employer that is not the plan's in force business.

(f) "Preexisting condition provision" means a contract provision that excludes coverage for charges or expenses incurred during a specified period following the employee's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(g) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract, or program, that is written or administered by a disability insurer, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(h) "Rating period" means the period for which premium rates established by a plan are in effect and shall be no less than six months.

(i) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(j) "Risk adjustment factor" means the percent adjustment to be applied equally to each standard employee risk rate for a particular small employer, based upon any expected deviations from standard cost of services. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(k) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family composition of the employee, plus the health benefit plan selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

Under 30
30–39
40–49
50–54
55–59
60–64
65 and over

(2) Small employer health care service plans shall base rates to small employers using no more than the following family size categories:

(A) Single.
(B) Married couple.
(C) One adult and child or children.
(D) Married couple and child or children.

(3) (A) In determining rates for small employers, a plan that operates statewide shall use no more than nine geographic regions in the state, have no region smaller than an area in which the first three digits of all its ZIP Codes are in common within a county, and divide no county into more than two regions. Plans shall be deemed to be operating statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a plan that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the population, as determined in the last federal census, of all counties that are included in their entirety in a plan's service are divided by the total population of the state, as determined in the last federal census, multiplied by nine. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common

within a county, and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No plan shall have less than one geographic area.

Nothing in this section shall be construed to require a plan to establish a new service area or to offer health coverage on a statewide basis, outside of the plan's existing service area.

(*l*) "Small employer" means any person, firm, proprietary or nonprofit corporation, partnership, public agency, or association that is actively engaged in business or service, that, on at least 50 percent of its working days during the preceding calendar quarter, employed at least three, but no more than 50, eligible employees, the majority of whom were employed within this state, which was not formed primarily for purposes of buying health care service plan contracts and in which a bona fide employer-employee relationship exists. However, for purposes of subdivisions (a), (b), and (c) of Section 1357.03, the definition shall include employers with at least five eligible employees until July 1, 1994, four eligible employees until July 1, 1995, and three eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies and that are eligible to file a combined tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health benefit plan contract to a small employer pursuant to this article, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided in this article, provisions of this article that apply to a small employer shall continue to apply until the plan contract anniversary following the date the employer no longer meets the requirements of this definition.

(m) "Standard employee risk rate" means the rate applicable to an eligible employee in a particular risk category in a small employer group.

SEC. 2. Section 1357.03 of the Health and Safety Code is amended to read:

1357.03. (a) Upon the effective date of this article, a plan shall fairly and affirmatively offer, market, and sell all of the plan's health care service plan contracts that are sold to small employers or to associations that include small employers to all small employers in each service area in which the plan provides or arranges for the provision of health care services. A plan contracting to participate in the voluntary purchasing pool for small employers provided for under Article 4 (commencing with Section 10730) of Chapter 14 of Part 2 of Division 2 of the Insurance Code shall be deemed in compliance with this requirement for a contract offered through the voluntary purchasing pool established under Article 4 (commencing with Section 10730) of Chapter 14 of Part 2 of Division 2 of the Insurance Code in those geographic regions in which plans participate in the pool, if the contract is offered exclusively through

the pool. Each plan shall make available to each small employer all small employer health care service plan contracts which the plan offers and sells to small employers or to associations that include small employers in this state. No plan or solicitor shall induce or otherwise encourage a small employer to separate or otherwise exclude an employee from a health care service plan contract that is provided in connection with the employee's employment.

(b) Every plan shall file with the commissioner the reasonable employee participation requirements and employer contribution requirements that will be applied in offering its plan contracts. Participation requirements shall be applied uniformly among all small employer groups, except that a plan may vary application of minimum employee participation requirements by the size of the small employer group. Employer contribution requirements shall not vary by employer size.

(c) The plan may not reject an application from a small employer for a health care service plan contract if all of the following are met:

(1) The small employer offers health benefits to 100 percent of its eligible employees. Employees who waive coverage on the grounds that they have other group coverage shall not be counted as eligible employees.

(2) The small employer agrees to make the required premium payments.

(3) The small employer agrees to inform the small employers' employees of the availability of coverage and the provision that those not electing coverage must wait one year to obtain coverage through the group if they later decide they would like to have coverage.

(4) The employees and their dependents who are to be covered by the plan contract work or reside in the service area in which the plan provides or otherwise arranges for the provision of health care services.

(d) No plan or solicitor shall, directly or indirectly, engage in the following activities:

(1) Encourage or direct small employers to refrain from filing an application for coverage with a plan because of the health status, claims experience, industry, occupation of the small employer, or geographic location provided that it is within the plan's approved service area.

(2) Encourage or direct small employers to seek coverage from another plan or the voluntary purchasing pool established under Article 4 (commencing with Section 10730) of Chapter 14 of Part 2 of Division 2 of the Insurance Code because of the health status, claims experience, industry, occupation of the small employer, or geographic location provided that it is within the plan's approved service area.

(e) No plan shall, directly or indirectly, enter into any contract, agreement, or arrangement with a solicitor that provides for or results in the compensation paid to a solicitor for the sale of a health care service plan contract to be varied because of the health status,

claims experience, industry, occupation, or geographic location of the small employer. This subdivision shall not apply with respect to a compensation arrangement that provides compensation to a solicitor on the basis of percentage of premium, provided that the percentage shall not vary because of the health status, claims experience, industry, occupation, or geographic area of the small employer.

SEC. 2.5. Section 1357.04 of the Health and Safety Code is amended to read:

1357.04. (a) After a small employer submits a completed application form for a plan contract, the plan shall, within 30 days, notify the employer of the employer's actual premium charges for that plan contract established in accordance with Section 1357.12. The employer shall have 30 days in which to exercise the right to buy coverage at the quoted premium charges.

(b) When a small employer submits a premium payment, based on the quoted premium charges, and that payment is delivered or postmarked, whichever occurs earlier, within the first 15 days of the month, coverage under the plan contract shall become effective no later than the first day of the following month. When that payment is neither delivered nor postmarked until after the 15th day of a month, coverage shall become effective no later than the first day of the second month following delivery or postmark of the payment.

(c) During the first 30 days after the effective date of the plan contract, the small employer shall have the option of changing coverage to a different plan contract offered by the same health care service plan. If a small employer notifies the plan of the change within the first 15 days of a month, coverage under the new plan contract shall become effective no later than the first day of the following month. If a small employer notifies the plan of the change after the 15th day of a month, coverage under the new plan contract shall become effective no later than the first day of the second month following notification.

SEC. 3. Section 1357.09 of the Health and Safety Code is amended to read:

1357.09. No plan shall be required to offer a health care service plan contract or accept applications for such a contract pursuant to this article in the case of any of the following:

(a) To a small employer, where the small employer is not physically located in a plan's approved service areas, or where an employee and eligible dependents who are to be covered by the plan contract do not work or reside within a plan's approved service areas.

(b) Within a specific service area or portion of a service area where a plan reasonably anticipates and demonstrates to the satisfaction of the commissioner that it will not have sufficient health care delivery resources to assure that health care services will be available and accessible to the eligible employee and dependents of the employee because of its obligations to existing enrollees.

(1) A plan that cannot offer a health care service plan contract to

small employers because it is lacking in sufficient health care delivery resources within a service area or a portion of a service area may not offer a contract in the area in which the plan is not offering coverage to small employers to new employer groups with more than 50 eligible employees until the plan notifies the commissioner that it has the ability to deliver services to small employer groups, and certifies to the commissioner that from the date of the notice it will enroll all small employer groups requesting coverage in that area from the plan unless the plan has met the requirements of subdivision (d).

(2) Nothing in this article shall be construed to limit the commissioner's authority to develop and implement a plan of rehabilitation for a health care service plan whose financial viability or organizational and administrative capacity have become impaired.

(c) Offer coverage to a small employer group which, within 12 months of application for coverage, disenrolled from a plan contract offered by the plan.

(d) The commissioner approves the plan's certification that the number of eligible employees and dependents enrolled under contracts issued during the current calendar year equals or exceeds (1) in the case of a plan that administers any self-funded health coverage arrangements in California, 10 percent of the total enrollment of the plan in California as of December 31 of the preceding year, or (2) in the case of a plan that does not administer any self-funded health coverage arrangements in California, 8 percent of the total enrollment of the plan in California as of December 31 of the preceding year. If that certification is approved, the plan shall not offer any health care service plan contract to any small employers during the remainder of the current year.

(1) If a health care service plan treats an affiliate or subsidiary as a separate carrier for the purpose of this article because one health care service plan is qualified under the federal Health Maintenance Organization Act and does not offer coverage to small employers, while the affiliate or subsidiary offers a plan contract that is not qualified under the federal Health Maintenance Organization Act and offers plan contracts to small employers, the health care service plan offering coverage to small employers shall enroll new eligible employees and dependents, equal to the applicable percentage of the total enrollment of both the health care service plan qualified under the federal Health Maintenance Organization Act and its affiliate or subsidiary.

(2) The certified statement filed pursuant to this subdivision shall state the following:

(A) Whether the plan administers any self-funded health coverage arrangements in California.

(B) The plan's total enrollment as of December 31 of the preceding year.

(C) The number or eligible employees and dependents enrolled

under contracts issued to small employer groups during the current calendar year.

The commissioner shall, within 45 days, approve or disapprove the certified statement. If the certified statement is disapproved, the plan shall continue to issue coverage as required by Section 1357.03 and be subject to disciplinary action as set forth in Article 7 (commencing with Section 1386).

(e) A health care service plan that, as of December 31 of the prior year, had a total enrollment of fewer than 100,000 and 50 percent or more of the plan's total enrollment have premiums paid by the Medi-Cal program.

SEC. 4. Section 1357.12 of the Health and Safety Code is amended to read:

1357.12. Premiums for contracts offered or delivered by plans on or after the effective date of this article shall be subject to the following requirements:

(a) (1) The premium for new business shall be determined for an employee in a particular risk category after applying a risk adjustment factor to the plan's standard employee risk rates. The risk adjusted employee risk rate may not be more than 120 percent or less than 80 percent of the plan's applicable standard employee risk rate until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(2) The premium charged a small employer for new business shall be equal to the sum of the risk adjusted employee risk rates.

(3) The premium charged a small employer for new business shall be in effect for no less than six months.

(b) (1) The premium for renewal of in force business shall be determined for an employee in a particular risk category after applying a risk adjustment factor to the plan's standard employee risk rates. The risk adjusted employee risk rates may not be more than 120 percent or less than 80 percent of the plan's applicable standard employee risk rate until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent. The risk adjustment factor applied to a small employer may not increase by more than 10 percentage points from the risk adjustment factor applied in the prior rating period. The risk adjustment factor for a small employer may not be modified more frequently than every 12 months.

(2) The premium charged a small employer for renewal of in force business shall be equal to the sum of the risk adjusted employee risk rates and shall be in effect for no less than six months.

(3) For a contract that a plan has discontinued offering, the risk adjustment factor applied to the standard employee risk rates for the first rating period of the new contract that the small employer elects to purchase shall be no greater than the risk adjustment factor applied in the prior rating period to the discontinued contract. However, the risk adjusted employee risk rate may not be more than 120 percent or less than 80 percent of the plan's applicable standard

employee risk rate until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent. The risk adjustment factor for a small employer may not be modified more frequently than every 12 months.

(c) (1) For any small employer having 10 or more employees covered under a contract, a plan may, with the consent of the small employer, establish composite employee and dependent rates for either new business or renewal of in force business. The composite rates shall be determined as the average of the risk adjusted employee risk rates for the small employer, as determined in accordance with the requirements of subdivisions (a) and (b). The sum of the composite rates so determined shall be equal to the sum of the risk adjusted employee risk rates for the small employer.

(2) The composite rates shall be used for all employees and dependents covered throughout a rating period of no less than six months, except that a plan may reserve the right to redetermine the composite rates if the enrollment under the contract changes by more than a specified percentage during the rating period. Any redetermination of the composite rates shall be based on the same risk adjusted employee risk rates used to determine the initial composite rates for the rating period. If a plan reserves the right to redetermine the rates and the enrollment changes more than the specified percentage, the plan shall redetermine the composite rates if the redeterminated rates would result in a lower premium for the small employer. A plan reserving the right to redetermine the composite rates based upon a change in enrollment shall use the same specified percentage to measure that change with respect to all small employers electing composite rates.

SEC. 4.5. Section 1357.14 of the Health and Safety Code is amended to read:

1357.14. In connection with the offering for sale of any plan contract to a small employer, each plan shall make a reasonable disclosure, as part of its solicitation and sales materials, of the following:

(a) The extent to which premium rates for a specified small employer are established or adjusted in part based upon the actual or expected variation in service costs or actual or expected variation in health condition of the employees and dependents of the small employer.

(b) The provisions concerning the plan's right to change premium rates and the factors other than provision of services experience that affect changes in premium rates.

(c) Provisions relating to the guaranteed issue of contracts.

(d) Provisions relating to the effect of any preexisting condition provision.

(e) Provisions relating to the small employer's right to apply for any contract written, issued, or administered by the plan at the time of application for a new health care service plan contract, or at the time of renewal of a health care service plan contract.

(f) The availability, upon request, of a listing of all the plan's contracts offered to small employers, including the rates for each contract.

(g) At the time it offers a contract to a small employer, each plan shall provide the small employer with a statement of all of its plan contracts offered to small employers, including the rates for each plan contract, in the service area in which the employer's employees and eligible dependents who are to be covered by the plan contract work or reside. For purposes of this subdivision, companies that are affiliated companies or that are eligible to file a consolidated income tax return shall be treated as one health plan.

(h) Each plan shall do all of the following:

(1) Prepare a brochure that summarizes all of its plan contracts offered to small employers and to make this summary available to any small employer and to solicitors upon request. The summary shall include for each contract information on benefits provided, a generic description of the manner in which services are provided, such as how access to providers is limited, benefit limitations, required copayments and deductibles, standard employee risk rates, and a phone number that can be called for more detailed benefit information. Plans are required to keep the information contained in the brochure accurate and up to date and, upon updating the brochure, send copies to solicitors and solicitor firms with whom the plan contracts to solicit enrollments or subscriptions.

(2) For each contract, prepare a more detailed evidence of coverage and make it available to small employers, solicitors, and solicitor firms upon request. The evidence of coverage shall contain all information that a prudent buyer would need to be aware of in making contract selections.

(3) Provide to small employers and solicitors, upon request, for any given small employer the sum of the standard employee risk rates and the sum of the risk adjusted employee risk rates. When requesting this information, small employers, solicitors, and solicitor firms shall provide the plan with the information the plan needs to determine the small employer's risk adjusted employee risk rate.

(4) Provide copies of the current summary brochure to all solicitors and solicitor firms contracting with the plan to solicit enrollments or subscriptions from small employers.

For purposes of this subdivision, companies that are affiliated companies or that are eligible to file a consolidated income tax return shall be treated as one health plan.

(i) Every solicitor or solicitor firm contracting with one or more plans to solicit enrollments or subscriptions from small employers shall do all of the following:

(1) When providing information on contracts to a small employer but making no specific recommendations on particular plan contracts:

(A) Advise the small employer of the plan's obligation to sell to any small employer any plan contract it offers to small employers and

provide them, upon request, with the actual rates that would be charged to that employer for a given contract.

(B) Notify the small employer that the solicitor or solicitor firm will procure rate and benefit information for the small employer on any plan contract offered by a plan whose contract the solicitor sells.

(C) Notify the small employer that upon request the solicitor or solicitor firm will provide the small employer with the summary brochure required under paragraph (1) of subdivision (h) for any plan contract offered by a plan with whom the solicitor or solicitor firm has contracted with to solicit enrollments or subscriptions.

(2) When recommending a particular benefit plan design or designs, advise the small employer that, upon request, the agent will provide the small employer with the brochure required by paragraph (1) of subdivision (h) containing the benefit plan design or designs being recommended by the agent or broker.

(3) Prior to filing an application for a small employer for a particular contract:

(A) For each of the plan contracts offered by the plan whose contract the solicitor or solicitor firm is offering, provide the small employer with the benefit summary required in paragraph (1) of subdivision (h) and the sum of the standard employee risk rates for that particular employer.

(B) Notify the small employer that, upon request, the solicitor or solicitor firm will provide the small employer with an evidence of coverage brochure for each contract the plan offers.

(C) Notify the small employer that, from July 1, 1993, to July 1, 1996, actual rates may be 20 percent higher or lower than the sum of the standard employee risk rates, and from July 1, 1996, and thereafter, actual rates may be 10 percent higher or lower than the sum of the standard employee risk rates, depending on how the plan assesses the risk of the small employer's group.

(D) Notify the small employer that, upon request, the solicitor or solicitor firm will submit information to the plan to ascertain the small employer's sum of the risk adjusted employee risk rate for any contract the plan offers.

(E) Obtain a signed statement from the small employer acknowledging that the small employer has received the disclosures required by this section.

SEC. 5. Section 10198.6 of the Insurance Code is amended to read:

10198.6. For purposes of this article:

(a) "Health benefit plan" means any group or individual policy or contract, offered through employment or sponsored by an employer, that provides medical, hospital, and surgical benefits. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law,

automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(b) "Late enrollee" means an eligible employee or dependent who has declined health coverage under a health benefit plan offered through employment or sponsored by an employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that employer; provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if any of the following is applicable:

(1) The individual meets all of the following requirements:

(A) The individual was covered under another employer health benefit plan at the time the individual was eligible to enroll.

(B) The individual certified, at the time of the initial enrollment that coverage under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee.

(C) The individual has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual or of a person through whom the individual was covered as a dependent, termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of a person through whom the individual was covered as a dependent, or divorce.

(D) The individual requests enrollment within 30 days after termination of coverage, or cessation of employer contribution toward coverage provided under another employer health benefit plan.

(2) The individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period.

(3) A court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

(4) The carrier cannot produce a written statement from the employer stating that, prior to declining coverage, the individual or the person through whom the individual was eligible to be covered as a dependent was provided with, and signed acknowledgment of, explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the carrier to

impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of twelve months as well as a six month preexisting condition exclusion, unless the individual meets the criteria specified in paragraphs (1), (2), or (3).

(c) "Preexisting condition provision" means a policy provision that excludes coverage for charges or expenses incurred during a specified period following the insured's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(d) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract or program, that is written or administered by a disability insurance company, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital and surgical care.

SEC. 6. The heading of Chapter 14 (commencing with Section 10700) of Part 2 of Division 1 of the Insurance Code is amended and renumbered to read:

CHAPTER 8. SMALL EMPLOYER HEALTH INSURANCE

SEC. 7. Section 10700 of the Insurance Code is amended to read:

10700. As used in this chapter:

(a) "Actuarial certification" means a written statement by a member of the American Academy of Actuaries or other individual acceptable to the commissioner that a carrier is in compliance with the provisions of this chapter, based upon the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods used by the carrier in establishing premium rates for applicable health benefit plans.

(b) "Agent or broker" means a person or entity licensed under Chapter 5 (commencing with Section 1621) of Part 2 of Division 1.

(c) "Benefit plan design" means a specific health coverage product issued by a carrier to small employers, to trustees of associations that include small employers, or to individuals if the coverage is offered through employment or sponsored by an employer. It includes services covered and the levels of copayment and deductibles, and it may include the professional providers who are to provide those services and the sites where those services are to be provided. A benefit plan design may also be an integrated system for the financing and delivery of quality health care services which has significant incentives for the covered individuals to use the system.

(d) "Board" means the Major Risk Medical Insurance Board.

(e) "Carrier" means any disability insurance company, nonprofit hospital service plan, or any other entity that writes, issues, or administers health benefit plans that cover the employees of small employers, regardless of the situs of the contract or master policyholder. For the purposes of Articles 3 (commencing with Section 10719) and 4 (commencing with Section 10730), "carrier" also includes health care service plans.

(f) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health benefit plan covering the employee.

(g) "Eligible employee" means any permanent employee who is actively engaged on a full-time basis in the conduct of the business of the small employer with a normal workweek of at least 30 hours, in the small employer's regular place of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business, and they are included as employees under a health benefit plan of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis.

(h) "Enrollee" means an eligible employee or dependent who receives health coverage through the program from a participating carrier.

(i) "Financially impaired" means, for the purposes of this chapter, a carrier that, on or after the effective date of this chapter, is not insolvent and is either:

(1) Deemed by the commissioner to be potentially unable to fulfill its contractual obligations.

(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(j) "Fund" means the California Small Group Reinsurance Fund.

(k) "Health benefit plan" means a policy or contract written or administered by a carrier that arranges or provides health care benefits for the enrolled employees of a small employer and their dependents. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement,

long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(*l*) "In force business" means an existing health benefit plan issued by the carrier to a small employer.

(m) "Late enrollee" means an eligible employee or dependent who has declined health coverage under a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that small employer; provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if: (1) the individual meets all of the following: (A) was covered under another employer health benefit plan at the time the individual was eligible to enroll; (B) certified at the time of the initial enrollment, that coverage under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee; (C) has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual, or of a person through whom the individual was covered as a dependent, the termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through whom the individual was covered as a dependent, or divorce; and (D) requests enrollment within 30 days after termination of coverage or employer contribution toward coverage provided under another employer health benefit plan; or (2) the individual is employed by an employer who offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or (3) a court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order; or (4) the carrier cannot produce a written statement from the employer stating that the individual or the person through whom an individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed acknowledgment of, an explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the carrier to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a

period of 12 months as well as a six-month preexisting condition exclusion unless the individual meets the criteria specified in paragraph (1), (2), or (3).

(n) "New business" means a health benefit plan issued to a small employer that is not the carrier's in force business.

(o) "Participating carrier" means a carrier that has entered into a contract with the program to provide health benefits coverage under this part.

(p) "Plan of operation" means the plan of operation of the fund, including articles, bylaws and operating rules adopted by the fund pursuant to Article 3 (commencing with Section 10719).

(q) "Program" means the Voluntary Alliance Uniting Employers Purchasing Program.

(r) "Preexisting condition provision" means a policy provision that excludes coverage for charges or expenses incurred during a specified period following the insured's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(s) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract, or program, that is written or administered by a disability insurer, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(t) "Rating period" means the period for which premium rates established by a carrier are in effect and shall be no less than six months.

(u) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(v) "Risk adjustment factor" means the percent adjustment to be applied equally to each standard employee risk rate for a particular

small employer, based upon any expected deviations from standard claims. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(w) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family size of the employee, plus the benefit plan design selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

Under 30
30–39
40–49
50–54
55–59
60–64
65 and over

(2) Small employer carriers shall base rates to small employers using no more than the following family size categories:

(A) Single.
(B) Married couple.
(C) One adult and child or children.
(D) Married couple and child or children.

(3) (A) In determining rates for small employers, a carrier that operates statewide shall use no more than nine geographic regions in the state, have no region smaller than an area in which the first three digits of all its ZIP Codes are in common within a county and shall divide no county into more than two regions. Carriers shall be deemed to be operating statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a carrier that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the population, as determined in the last federal census, of all counties which are included in their entirety in a carrier's service area divided by the total population of the state, as determined in the last federal census, multiplied by nine. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common within a county and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No carrier shall have less than one geographic area.

(x) "Small employer" means any person, proprietary or nonprofit

firm, corporation, partnership, public agency, or association that is actively engaged in business or service that, on at least 50 percent of its working days during the preceding calendar quarter, employed at least three, but not more than 50, eligible employees, the majority of whom were employed within this state, that was not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. However, for purposes of subdivisions (b) and (h) of Section 10705, the definition shall include employers with at least five eligible employees until July 1, 1994, four eligible employees until July 1, 1995, and three eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies, and that are eligible to file a combined income tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health benefit plan to a small employer pursuant to this chapter, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided, provisions of this chapter that apply to a small employer shall continue to apply until the health benefit plan anniversary following the date the employer no longer meets the requirements of this definition.

(y) "Standard employee risk rate" means the rate applicable to an eligible employee in a particular risk category in a small employer group.

(z) An association is a nonprofit organization comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or small employer meeting its membership criteria, which do not condition membership directly or indirectly on the health or claims history of any person, which uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, which is organized and maintained in good faith for purposes unrelated to insurance, which has been in active existence on January 1, 1992, and at least five years prior to that date, which has a constitution and bylaws, or other analogous governing documents which provide for election of the governing board of the association by its members, which has contracted with one or more carriers to offer one or more health benefit plans to all individual members and small employer members in this state.

SEC. 8. Section 10704 of the Insurance Code is amended to read:

10704. The commissioner may issue regulations that are necessary to carry out the purposes of this chapter. Prior to the public comment period required on the regulations under the Administrative Procedure Act, the commissioner shall provide the Commissioner of Corporations with a copy of the proposed regulations. The Commissioner of Corporations shall have 30 days to

notify the commissioner in writing of any comments on the regulations. The Commissioner of Corporations' comments shall be included in the public notice issued on the regulations. Any rules and regulations issued pursuant to this subdivision may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Until December 31, 1994, the adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The regulations shall be enforced by the commissioner.

SEC. 9. Section 10705 of the Insurance Code is amended to read:

10705. Upon the effective date of this act:

(a) No group or individual policy or contract or certificate of group insurance or statement of group coverage providing benefits to employees of small employers as defined in this chapter shall be issued or delivered by a carrier subject to the jurisdiction of the commissioner regardless of the situs of the contract or master policyholder or of the domicile of the carrier nor, except as otherwise provided in Sections 10270.91 and 10270.92, shall a carrier provide coverage subject to this chapter until a copy of the form of the policy, contract, certificate, or statement of coverage is filed with and approved by the commissioner in accordance with Sections 10290 and 10291, and the carrier has complied with the requirements of Section 10717.

(b) Each carrier, except a self-funded employer, shall fairly and affirmatively offer, market, and sell all of the carrier's benefit plan designs that are sold to, offered through, or sponsored by, small employers or associations that include small employers to all small employers in each geographic region in which the carrier makes coverage available or provides benefits. A carrier contracting to participate in the Voluntary Alliance Uniting Employers Purchasing Program shall be deemed to be in compliance with this requirement for a benefit plan design offered through the program in those geographic regions in which the carrier participates in the program and the benefit plan design is offered exclusively through the program.

(1) Nothing in this section shall be construed to require an association to offer, market or sell a benefit plan design to those who are not members of the association. However, if the association markets, offers or sells a benefit plan design to those who are not members of the association it is subject to the requirements of this section.

(2) A carrier which (A) effective January 1, 1992, and at least 20 years prior to that date, markets, offers, or sells benefit plan designs only to all members of one association and (B) does not market, offer or sell any other individual, selected group, or group policy or contract providing medical, hospital and surgical benefits shall not be required to market, offer, or sell to those who are not members of

the association. However, if the carrier markets, offers or sells any benefit plan design or any other individual, selected group, or group policy or contract providing medical, hospital and surgical benefits to those who are not members of the association it is subject to the requirements of this section.

(3) Each carrier that sells health benefit plans to members of one association pursuant to paragraph (2) shall submit an annual statement to the commissioner which states that the carrier is selling health benefit plans pursuant to paragraph (2) and which, for the one association, lists all the information required by paragraph (4).

(4) Each carrier that sells health benefit plans to members of any association shall submit an annual statement to the commissioner which lists each association to which the carrier sells health benefit plans, the industry or profession which is served by the association, the association's membership criteria, a list of officers, the state in which the association is organized, and the site of its principal office.

(c) Each carrier shall make available to each small employer all benefit plan designs that the carrier offers or sells to small employers or to associations that include small employers. Notwithstanding subdivision (e) of Section 10700, for purposes of this subdivision, companies that are affiliated companies or that are eligible to file a consolidated income tax return shall be treated as one carrier.

(d) Each carrier shall do all of the following:

(1) Prepare a brochure that summarizes all of its benefit plan designs and make this summary available to small employers, agents and brokers upon request. The summary shall include for each benefit plan design information on benefits provided, a generic description of the manner in which services are provided, such as how access to providers is limited, benefit limitations, required copayments and deductibles, standard employee risk rates, and a phone number that can be called for more detailed benefit information. Carriers are required to keep the information contained in the brochure accurate and up to date, and, upon updating the brochure, send copies to agents and brokers representing the carrier. Any entity that provides administrative services only with regard to a benefit plan design written or issued by another carrier shall not be required to prepare a summary brochure which includes that benefit plan design.

(2) For each benefit plan design, prepare a more detailed evidence of coverage and make it available to small employers, agents and brokers upon request. The evidence of coverage shall contain all information that a prudent buyer would need to be aware of in making selections of benefit plan designs. An entity that provides administrative services only with regard to a benefit plan design written or issued by another carrier shall not be required to prepare an evidence of coverage for that benefit plan design.

(3) Provide to small employers, agents, and brokers, upon request, for any given small employer the sum of the standard employee risk rates and the sum of the risk adjusted standard

employee risk rates. When requesting this information, small employers, agents and brokers shall provide the carrier with the information the carrier needs to determine the small employer's risk adjusted employee risk rate.

(4) Provide copies of the current summary brochure to all agents or brokers who represent the carrier and, upon updating the brochure, send copies of the updated brochure to agents and brokers representing the carrier for the purpose of selling health benefit plans.

(5) Notwithstanding subdivision (e) of Section 10700, for purposes of this subdivision, companies that are affiliated companies or that are eligible to file a consolidated income tax return shall be treated as one carrier.

(e) Every agent or broker representing one or more carriers for the purpose of selling health benefit plans to small employers shall do all of the following:

(1) When providing information on a health benefit plan to a small employer but making no specific recommendations on particular benefit plan designs:

(A) Advise the small employer of the carrier's obligation to sell to any small employer any of the benefit plan designs it offers to small employers and provide them, upon request, with the actual rates that would be charged to that employer for a given benefit plan design.

(B) Notify the small employer that the agent or broker will procure rate and benefit information for the small employer on any benefit plan design offered by a carrier for whom the agent or broker sells health benefit plans.

(C) Notify the small employer that, upon request, the agent or broker will provide the small employer with the summary brochure required in paragraph (1) of subdivision (d) for any benefit plan design offered by a carrier whom the agent or broker represents.

(2) When recommending a particular benefit plan design or designs, advise the small employer that, upon request, the agent will provide the small employer with the brochure required by paragraph (1) of subdivision (d) containing the benefit plan design or designs being recommended by the agent or broker.

(3) Prior to filing an application for a small employer for a particular health benefit plan:

(A) For each of the benefit plan designs offered by the carrier whose benefit plan design the agent or broker is presenting, provide the small employer with the benefit summary required in paragraph (1) of subdivision (d) and the sum of the standard employee risk rates for that particular employer.

(B) Notify the small employer that, upon request, the agent or broker will provide the small employer with an evidence of coverage brochure for each benefit plan design the carrier offers.

(C) Notify the small employer that, from July 1, 1993 to July 1, 1996, actual rates may be 20 percent higher or lower than the sum of the standard employee risk rates, and from July 1, 1996, and

thereafter, actual rates may be 10 percent higher or lower than the sum of the standard employee risk rates depending on how the carrier assesses the risk of the small employer's group.

(D) Notify the small employer that, upon request, the agent or broker will submit information to the carrier to ascertain the small employer's sum of the risk adjusted standard employee risk rate for any benefit plan design the carrier offers.

(E) Obtain a signed statement from the small employer acknowledging that the small employer has received the disclosures required by paragraph (3) of subdivision (e) and by Section 10716.

(f) No carrier, agent, or broker shall induce or otherwise encourage a small employer to separate or otherwise exclude an employee from a health benefit plan which is provided in connection with the employee's employment.

(g) No carrier shall reject an application from a small employer for a benefit plan design provided:

(1) The small employer offers health benefits to 100 percent of its eligible employees. Employees who waive coverage on the grounds that they have other group coverage shall not be counted as eligible employees.

(2) The small employer agrees to make the required premium payments.

(h) No carrier or agent or broker shall, directly or indirectly, engage in the following activities:

(1) Encourage or direct small employers to refrain from filing an application for coverage with a carrier because of the health status, claims experience, industry, occupation, or geographic location within the carrier's approved service area of the small employer or the small employer's employees.

(2) Encourage or direct small employers to seek coverage from another carrier or the program because of the health status, claims experience, industry, occupation, or geographic location within the carrier's approved service area of the small employer or the small employer's employees.

(i) No carrier shall, directly or indirectly, enter into any contract, agreement, or arrangement with an agent or broker that provides for or results in the compensation paid to an agent or broker for a health benefit plan to be varied because of the health status, claims experience, industry, occupation, or geographic location of the small employer or the small employer's employees. This subdivision shall not apply with respect to a compensation arrangement that provides compensation to an agent or broker on the basis of percentage of premium, provided that the percentage shall not vary because of the health status, claims experience, industry, occupation, or geographic area of the small employer.

(j) If a carrier enters into a contract, agreement, or other arrangement with a third-party administrator or other entity to provide administrative, marketing, or other services related to the offering of health benefit plans to small employers in this state, the

third-party administrator shall be subject to this chapter.

(k) (1) With respect to the obligation to provide coverage newly issued under subdivision (d), the carrier may cease enrolling new small employer groups if it certifies to the commissioner that the number of eligible employees and dependents, of the employers newly enrolled or insured during the current calendar year by the carrier equals or exceeds: (A) in the case of a carrier that administers any self-funded health benefits arrangement in California, 10 percent of the total number of eligible employees, or eligible employees and dependents, respectively, enrolled or insured in California by that carrier as of December 31 of the preceding year, or (B) in the case of a carrier that does not administer any self-funded health benefit arrangements in California, 8 percent of the total number of eligible employees, or eligible employees and dependents, respectively, enrolled or insured by the carrier in California as of December 31 of the preceding year.

(2) Certification shall be deemed approved if not disapproved within 45 days after submission to the commissioner. If that certification is approved, the small employer carrier shall not offer coverage to any small employers under any health benefit plans during the remainder of the current year. If the certification is not approved, the carrier shall continue to issue coverage as required by subdivision (d) and be subject to administrative penalties as established in Section 10718.

SEC. 10. Section 10706.5 of the Insurance Code is amended to read:

10706.5. (a) After a small employer submits a completed application, the carrier shall, within 30 days notify the employer of the employer's actual rates in accordance with Section 10714. The employer shall have 30 days in which to exercise the right to buy coverage at the quoted rates.

(b) When a small employer submits a premium payment, based on the quoted rates, and that payment is delivered or postmarked, whichever occurs earlier, within the first 15 days of a month, coverage shall become effective no later than the first day of the following month. When that payment is neither delivered nor postmarked until after the 15th day of a month, coverage shall become effective no later than the first day of the second month following delivery or postmark of the payment.

(c) During the first 30 days of coverage, the small employer shall have the option of changing coverage to a different benefit plan design offered by the same carrier. If a small employer notifies the carrier of the change within the first 15 days of a month, coverage under the new benefit plan design shall become effective no later than the first day of the following month. If a small employer notifies the carrier of the change after the 15th day of a month, coverage under the new benefit plan design shall become effective no later than the first day of the second month following notification.

(d) all eligible employees and dependents listed on the small

employer's completed application shall be covered on the effective date of the health benefit plan.

SEC. 11. Section 10714 of the Insurance Code is amended to read:

10714. Premiums for benefit plan designs written, issued, or administered by carriers on or after the effective date of this act, shall be subject to the following requirements:

(a) (1) The premium for new business shall be determined for an employee in a particular risk category after applying a risk adjustment factor to the carrier's standard employee risk rates. The risk adjusted employee risk rate may not be more than 120 percent or less than 80 percent of the carrier's applicable standard employee risk rate until July 1, 1996. Effective July 1, 1996, the risk adjusted employee risk rate may not be more than 110 percent or less than 90 percent.

(2) The premium charged a small employer for new business shall be equal to the sum of the risk adjusted employee risk rates.

(3) The premium charged a small employer for new business shall be in effect for no less than six months.

(b) (1) The premium for renewal of in force business shall be determined for an employee in a particular risk category after applying a risk adjustment factor to the carrier's standard employee risk rates. The risk adjusted employee risk rates may not be more than 120 percent or less than 80 percent of the carrier's applicable standard employee risk rate until July 1, 1996. Effective July 1, 1996, the risk adjusted employee risk rate may not be more than 110 percent or less than 90 percent. The risk adjustment factor applied to a small employer may not increase by more than 10 percentage points from the risk adjustment factor applied in the prior rating period. The risk adjustment factor for a small employer may not be modified more frequently than every 12 months.

(2) The premium charged a small employer for renewal of in force business shall be equal to the sum of the risk adjusted employee risk rates and shall be in effect for no less than six months.

(3) For a benefit plan design that a carrier has discontinued offering, the risk adjustment factor applied to the standard employee risk rates for the first rating period of the new benefit plan design that the small employer elects to purchase shall be no greater than the risk adjustment factor applied in the prior rating period to the discontinued benefit plan design. However, the risk adjusted employee rate may not be more than 120 percent or less than 80 percent of the carrier's applicable standard employee risk rate until July 1, 1996. Effective July 1, 1996, the risk adjusted employee risk rate may not be more than 110 percent or less than 90 percent. The risk adjustment factor for a small employer may not be modified more frequently than every 12 months.

(c) (1) For any small employer having 10 or more employees covered under a health benefit plan, a carrier may, with the consent of the small employer, establish composite employee and dependent rates for either new business or renewal of in force business. The

composite rates shall be determined as the average of the risk adjusted employee risk rates for the small employer, as determined in accordance with the requirements of subdivisions (a) and (b). The sum of the composite rates so determined shall be equal to the sum of the risk adjusted employee risk rates for the small employer.

(2) The composite rates shall be used for all employees and dependents covered throughout a rating period of no less than six months, nor more than 12 months, except that a carrier may reserve the right to redetermine the composite rates if the enrollment under the health benefit plan changes by more than a specified percentage during the rating period. Any redetermination of the composite rates shall be based on the same risk adjusted employee risk rates used to determine the initial composite rates for the rating period. If a carrier reserves the right to redetermine the rates and the enrollment changes more than the specified percentage, the carrier shall redetermine the composite rates if the redeterminated rates would result in a lower premium for the small employer. A carrier reserving the right to redetermine the composite rates based upon a change in enrollment shall use the same specified percentage to measure that change with respect to all small employers electing composite rates.

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 to ensure the availability and affordability of small employer health coverage at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 114

An act to amend Section 703.5 of the Evidence Code, relating to evidence.

[Approved by Governor July 12, 1993. Filed with Secretary of State July 13, 1993.]

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 or mediator, 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 paragraph (1) or (6) of subdivision (a) of Section 170.1 of the Code of Civil Procedure. However, this section shall not apply to a mediator with regard to any mediation under Chapter 11 (commencing with Section 3155) of Part 2 of Division 8 of the Family Code.

CHAPTER 115

An act to amend Sections 50910 and 51050 of, and to repeal and add Part 4 (commencing with Section 51600) of Division 31 of, the Health and Safety Code, and to amend Sections 12640.02 and 12640.07 of the Insurance Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1993. Filed with Secretary of State July 15, 1993.]

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

SECTION 1. Section 50910 of the Health and Safety Code is amended to read:

50910. The executive director may from time to time employ technical experts and other employees as may, in his or her judgment, be necessary for the conduct of the business of the agency.

SEC. 2. Section 51050 of the Health and Safety Code is amended to read:

51050. The agency shall have all of the following powers:

(a) To sue and be sued in its own name.

(b) To have an official seal and to alter the same at pleasure.

(c) To have perpetual succession.

(d) To maintain offices at any place or places within the state which it may designate.

(e) To adopt, and from time to time amend and repeal, by action of the board, resolutions, rules, and regulations, not inconsistent with this part, to carry into effect the powers and purposes of the agency and the conduct of its business. Rules and regulations of the agency shall be adopted, amended, repealed, and published in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) Notwithstanding any other provision of law, to make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part with any governmental agency, private corporation or other entity, or individual, and to contract with any local public entity for processing of any aspect of financing housing developments. Contracts made or executed under the authority of this part shall not be subject to any

applicable provision of law requiring competitive bidding or the supervision or approval of another division or officer of state government.

(g) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis in its own name by gift, purchase, transfer, foreclosure, a deed in lieu of foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(h) To hold, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real or personal property or any interest therein; to hold, sell, assign, or otherwise dispose of any mortgage interest owned by it, under its control or custody, or in its possession; and, as applicable, to do any of the acts specified in this subdivision by public or private sale, with or without public bidding, notwithstanding any other provision of law.

(i) To release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired, including any equity or right of redemption in real property foreclosed by it or acquired by it by a deed in lieu of foreclosure.

(j) To determine the terms and conditions of any mortgage instrument, deed of trust, or promissory note used or executed in conjunction with the financing of any housing development.

(k) To employ architects, engineers, attorneys, accountants, housing construction and financial experts, and such other advisers, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(*l*) To provide advice, technical information, and consultative and technical service in connection with the financing of housing developments pursuant to this part.

(m) Notwithstanding any other provision of law, to insure or reinsure against any loss in connection with its property and other assets, including mortgages and mortgage loans, in amounts, in the manner, and from those insurers as it deems desirable.

(n) To establish, revise from time to time, and charge and collect fees and charges in connection with loans made or insured by the agency.

(o) To borrow money and issue bonds, as provided in this part.

(p) To enter agreements and perform acts as are necessary to obtain and maintain federal housing subsidies for use in connection with housing developments.

(q) To provide bilingual staff and make available agency publications in a language, other than English, where necessary to effectively serve all groups for which those services or publications are made available.

(r) To require any individual, corporation, or other legal entity operating, managing, or providing maintenance services for a housing development or a residential structure to maintain a current certificate of qualification developed and approved by the agency.

(s) To do any and all things necessary to carry out its purposes and

exercise the powers expressly granted by this part.

SEC. 3. Part 4 (commencing with Section 51600) of Division 31 of the Health and Safety Code is repealed.

SEC. 4. Part 4 (commencing with Section 51600) is added to Division 31 of the Health and Safety Code, to read:

PART 4. BOND AND LOAN INSURANCE

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

51600. The Legislature finds and declares as follows:

(a) For reasons of prudent investment policy, California's public and private lending institutions are not making mortgage financing available for certain single- and multifamily residential housing occupied or intended to be occupied by substantial numbers of persons and families of low and moderate income because of the perceived risks these loans entail. The absence of this financing has also caused and contributed to the deterioration of residential neighborhoods, has inhibited government in its attempts to arrest and reverse deterioration through local code enforcement programs, and has generally reduced or limited the supply of safe, decent, and sanitary housing available to persons and families of low and moderate income.

(b) The absence of financing has resulted in persons and families who are not able to realize financial security through equity accumulation and psychological security through a sense of permanence and control over the direction of their lives, as well as a lack of job creation linked to housing construction or the sale of existing housing.

(c) The percentage of California residents who own their own homes is considerably lower than the national average.

(d) All of the factors set forth in subdivisions (a) to (c), inclusive, have hindered the state's economy and the general well-being of the state's populace.

(e) The state has authorized state agencies, local agencies, redevelopment agencies, and housing authorities to provide financing for preservation and construction of residential structures, including single-family and multifamily residential housing, to enhance housing opportunities for persons and families of low or moderate income. However, some of these local public entities will be unable to sell bonds pursuant to that authorization on terms sufficiently favorable to enable them to make loans at less than the market-rate interest because of a lack of adequate bond security.

(f) Although the agencies are empowered to sell bonds in order to raise funds for housing assistance, they may be unable to market these bonds on terms and at interest rates adequate to enable these agencies to accomplish their purposes.

(g) For reasons of prudent investment policy, private lending institutions and public agencies are not making mortgage financing

available for the rehabilitation of buildings identified by local jurisdictions as being potentially hazardous.

(h) For reasons of prudent investment policy, private lending institutions and public agencies are not making mortgage financing available for residential housing for low- and moderate-income households in California due to an inadequate supply of reliable, consistent, and affordable mortgage guaranty insurance.

(i) To provide credit enhancements for the development of new, or the purchase or refinancing of existing, low-income and moderate-income multifamily housing.

51601. It is the intent of the Legislature in enacting this part to establish programs of bond and loan insurance for the following purposes:

(a) To encourage homeownership opportunities for low- and moderate-income rental households and to encourage multifamily residential construction and rehabilitation, all of which will revitalize the state's economy and provide security for these households.

(b) To encourage and facilitate the preservation of existing housing and improve housing opportunities by reducing the risk factor for all of the following:

(1) Loans to persons and families of low and moderate income for housing in older deteriorating areas and neighborhood preservation areas.

(2) Bonds issued by governmental agencies for the purpose of providing housing for persons and families of low or moderate income.

(3) Loans to provide housing for persons and families of low or moderate income.

(4) Privately financed loans for multifamily residential housing that benefits low- and moderate-income households.

(5) Construction loan loss guarantee assistance for rehabilitation of buildings in need of rehabilitation improvements, where the building has been identified by local jurisdictions as being potentially hazardous.

(c) To encourage and facilitate housing opportunities for low-income and moderate-income households which might not readily be available in the private market due to, in part, location, type of housing, and income group serviced, provided, however, that the actuarial soundness of the insurance fund not be jeopardized.

(d) To provide single-family and multifamily residential housing mortgage guaranty insurance.

(e) To provide single-family and multifamily residential guaranty insurance for construction loans.

(f) To provide credit enhancements for the development of new, or the purchase or refinancing of existing, low-income and moderate-income housing.

51601.5. The Legislature finds and declares the following:

The California Housing Finance Agency, in administering the mortgage guaranty insurance program, as it is currently constituted

in law, will adopt a new five-year business plan pursuant to board resolution at the June 9, 1993, meeting of the agency's board of directors. The business plan will contain all of the financial resources of the agency necessary for this insurance fund to create a mortgage guaranty insurance underwriting capacity for single-family loans at one billion two hundred million dollars ($1,200,000,000) of gross insurance. In order to initiate this program, the agency will provide its 1993 commitment of eighteen million dollars ($18,000,000) as soon as reasonably practicable following the adoption of the June 9, 1993, board resolution. The agency will also commit that it will provide its 1994 pledge of eleven million dollars ($11,000,000) at its January 1994 board of directors meeting. During the five-year time period, the program will result in a significant beneficial economic impact on the state's economy, particularly on the homebuilding and real estate resale markets. As such, the agency will remain fully committed to implementing the plan, unless the economic and fiscal expectations of the agency fail to materialize so that implementation of the plan, in whole or in part, is no longer possible without jeopardizing the fiscal integrity or the bond rating of the agency.

51602. (a) The agency shall require that occupancy of housing for which a loan is insured pursuant to this part shall be open to all regardless of race, color, sex, marital status, religion, national origin, ancestry, familial status, or disability and that contractors and subcontractors engaged in the construction or rehabilitation of housing funded by a loan insured pursuant to this part shall provide an equal opportunity for employment without discrimination as to race, color, sex, marital status, religion, national origin, ancestry, familial status, or disability.

(b) A qualified developer shall certify compliance with this section and Section 50955 according to requirements specified by the pertinent criteria of the agency.

51603. (a) Unless the context otherwise requires, the definitions contained in this chapter shall govern the construction of this part. These definitions shall be in addition to definitions set forth in Part 1 (commencing with Section 50000) of this division, except that, where the same term is defined in this chapter and in that part, the definition of the term contained in this chapter shall prevail.

(b) As used in this part:

(1) "Approved lending institution" means a qualified mortgage lender approved by the agency for participation in a program of loan insurance, including those successors and assigns of any such institution as are permitted by the agency. "Approved lending institution" shall also include the agency.

(1.5) "Board" or "board of directors" means the Board of Directors of the California Housing Finance Agency.

(2) "Bond reserve requirement" means an amount specified by the agency which shall, as of any particular date of computation, be at least equal to the total of both of the following:

(A) Insurance benefits due and payable as of the date under

contracts of bond insurance.

(B) The percentage, required by the rating agencies or required to adequately provide security for the bonds insured pursuant to this part, of the sum of the aggregate insurance outstanding under contracts of bond insurance and the aggregate amounts to be insured under the agency's commitments to insure bonds.

(2.5) "Credit enhancement" means a method of reducing risk for a lender through letters of credit and bond and loan insurance.

(3) "Executive director" means the Executive Director of the California Housing Finance Agency.

(4) "Fund" or "insurance fund" means the California Housing Loan Insurance Fund, which is hereby created.

(5) "Insurance reserve requirement" means an amount established by the agency, which shall, as of any particular date of computation, be at least equal to the total of both of the following:

(A) Insurance benefits due and payable as of that date pursuant to contracts of loan insurance.

(B) An amount calculated to equal any required policyholder's surplus which would be required of a mortgage guaranty insurer under Section 12640.05 of the Insurance Code.

(6) "Insured loan" means a loan insured pursuant to Chapter 4 (commencing with Section 51650).

(7) "Loan-to-value limitation" means a limitation on the ratio of the original principal balance of a loan to the appraised value at the time of execution of the contract of insurance, including the estimated costs of repair and rehabilitation and sale, if any, of the property securing it.

(8) "Mortgage guaranty insurance" means either of the following:

(A) Insurance against financial loss by reason of nonpayment of principal, interest, and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a first lien or charge on real estate, provided the improvement on the real estate is a residential building or a condominium unit or buildings designed for occupancy by not more than four families.

(B) Insurance against financial loss by reason of nonpayment of principal, interest, and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a junior lien or charge on real estate, provided the improvement on the real estate is a residential building or a condominium unit or buildings designed for occupancy by not more than four families.

(C) Insurance against financial loss by reason of nonpayment of principal, interest, and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a lien or charge on real estate, provided the improvement on the real estate is a building or buildings designed for occupancy by five or more families or designed to be occupied for industrial or commercial

purposes.

(9) "Multifamily residential housing" means an improvement on real estate which is a building or buildings containing five or more residential units.

(10) "Persons and families of low or moderate income" means "persons and families of low or moderate income" as defined in Section 50093.

(11) "Qualified developer" means a housing sponsor which is certified by the agency to be qualified according to experience, financial capability, and any other pertinent criteria as the fund may establish to carry out rehabilitation and new construction with loans insured pursuant to this part.

(12) "Rehabilitated structure" means a residential structure which becomes eligible for an insured acquisition loan by rehabilitation conducted pursuant to rules of the agency, whether or not loan insurance is provided by the agency for that rehabilitation.

(13) "Single-family residential housing" means an improvement on real estate which is a building or a condominium unit or buildings containing one to four units.

CHAPTER 2. ADMINISTRATION

51610. (a) The agency shall, with respect to the implementation of this part, and notwithstanding any other provision of law, have the general powers set forth in Sections 51050 and 51058 and in this part and, in addition, may do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this part.

(b) The fund shall develop and maintain complete and current statistics and other information with respect to the loan insurance program, including, but not limited to, each of the following:

(1) Mortgage arrearages, defaults, and foreclosures on insured loans.

(2) Expenses incurred as a result of those arrearages, defaults, and foreclosures.

(3) The extent of displacement caused by availability of insured loans.

(c) The information required by subdivision (b) shall be provided in the agency's annual report as required by Section 51622.

51611. (a) The California Housing Loan Insurance Fund is hereby created in the State Treasury.

(b) The California Housing Insurance Fund is hereby renamed the California Housing Loan Insurance Fund. All references in any provision of law to the California Housing Insurance Fund shall be deemed to refer to the California Housing Loan Insurance Fund. Notwithstanding Section 13340 of the Government Code, all money in the insurance fund is hereby continuously appropriated to the agency without regard to fiscal year for the purpose of insuring loans and bonds pursuant to this part and for the purpose of defraying administrative expenses incurred by the agency in operating these

programs of loan and bond insurance. All insurance premiums shall be deposited in the insurance fund. Mortgage insurance in force under certificates of insurance by the California Housing Insurance Fund shall continue in force without interruption after the effective date of this act.

(c) Notwithstanding Chapter 2 (commencing with Section 12850) of Part 2.5 of Division 3 of Title 2 of the Government Code, Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code, or any other provision of law, expenditures of the insurance fund shall not be subject to the supervision or approval of any other officer or division of state government. However, the agency's budget respecting the insurance fund shall be prepared and reviewed in accordance with Section 50913.

(d) The agency shall, from time to time, direct the Treasurer to invest moneys in the insurance fund which are not required for its current needs in eligible securities designated by the agency from among those specified in Section 16430 of the Government Code or as otherwise permitted by law. The agency may direct the Treasurer to deposit moneys in the insurance fund in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state. To the extent permitted by law, the agency may invest moneys in the fund in obligations of financial institutions, as permitted by board resolution. The agency may also require the transfer of moneys in the insurance fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

51614. (a) The agency is hereby vested with full power, authority, and jurisdiction over the insurance fund. The agency may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the insurance fund, either in the administration thereof or in connection with the business administered under this part, as fully and completely as the governing body of a private insurance carrier.

(b) The agency may create task forces and advisory committees, when appropriate and as the members deem necessary, for the purpose of obtaining advice on issues arising as a result of the agency's activities under this part. Ex officio members of those task forces and advisory committees may include, but are not limited to, the Insurance Commissioner or his or her designee, the Director of Housing and Community Development or his or her designee, the Director of the Seismic Safety Commission or his or her designee, and the Director of the Office of Emergency Services or his or her designee.

51615. Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of; and Article 9 (commencing with Section 11120) of Chapter 1 of, Chapter 3.5 (commencing with Section 11340) of, Chapter 4 (commencing with Section 11370) of, and Chapter 5

(commencing with Section 11500) of, Part 1 of Division 3 of Title 2 of; the Government Code shall not apply to any of the following: the agency's activities and records relating to establishing rates and premiums; the development of bids for insurance, coinsurance, and reinsurance; or to other matters necessary to maintain the competitiveness of the agency in the mortgage insurance industry.

51616. The state shall not be liable beyond the assets of the insurance fund for any obligations in connection therewith.

51618. There shall be within the agency a Director of Insurance of the fund, appointed by the Governor and serving at the pleasure of the executive director. The Director of Insurance of the fund shall demonstrate knowledge of, and expertise in, mortgage insurance. The Director of Insurance of the fund shall manage and conduct the business and affairs of the insurance fund under the direction and supervision of the agency, and shall perform any other duties as the executive director prescribes.

51619. The agency may delegate to the Director of Insurance of the fund, under the resolutions of the board and subject to the conditions as it from time to time prescribes, any power, function, or duty conferred by law on the agency in connection with the administration, management, and conduct of the business and affairs of the insurance fund. The Director of Insurance may exercise the powers and functions and perform the duties with the same force and effect as the executive director, but subject to his or her approval.

51620. In conducting the business and affairs of the insurance fund, the executive director may do any of the following:

(a) Enter into contracts of insurance.

(b) Decline to insure any risk in which the minimum requirements of the insurance fund are not complied with, or which is beyond the safe carrying of the insurance fund.

(c) Reinsure any risk or any part thereof.

(d) Make rules for the settlement of claims against the insurance fund and determine to whom and through whom the payments are to be made.

(e) Enter into any contracts or obligations relating to the fund.

(f) Invest and reinvest the moneys belonging to the fund as provided by this part or Part 3 (commencing with Section 50900).

(g) Conduct all business and affairs and perform all acts relating to the fund whether or not specifically designated in this part.

51622. (a) The agency may contract with any private person or public agency for review of the administration of this part and for assistance in implementing this part.

(b) The agency shall prepare an annual report on the condition of the program of loan and bond insurance authorized by this part. The report of the evaluation shall include an evaluation of program effectiveness in relation to cost and shall include recommendations and suggested legislation for the improvement of the program, if any. The report shall also include an audit of the insurance fund's books

and accounts with respect to its activities under this part to be made at least once for each calendar year by an independent certified public accountant. A copy of the annual report shall be transmitted to the Governor and to each Member of the Legislature and made available for review by interested parties no later than March 31 of each year.

51623. (a) The California Housing Loan Insurance Fund, as provided for pursuant to Section 51653 as it read prior to the effective date of the act that adds this part, is continued in existence, and, pursuant to Section 51603, is referred to as the insurance fund. Notwithstanding Section 13340 of the Government Code, all money in the insurance fund is hereby continuously appropriated to the agency without regard to fiscal year for the purpose of insuring loans and bonds pursuant to this part and for the purpose of defraying administrative expenses incurred by the fund in operating those programs of loan and bond insurance. All insurance premiums shall be deposited in the insurance fund.

(b) The insurance fund shall be administered by the agency for the purpose of insuring loans and bonds as provided in this part. Any appropriation made therefrom or thereto before the effective date of this section shall continue to be available for the purposes for which it was made.

51624. The agency shall prepare a preliminary budget for the agency's activities under this part on or before December 1 of each year for the ensuing fiscal year, to be reviewed by the Secretary of the Business, Transportation and Housing Agency, the Director of Finance, and the Joint Legislative Budget Committee.

51625. (a) The agency shall cause all moneys in the insurance fund which are in excess of current requirements to be invested and reinvested, from time to time, in the same manner as provided for private insurance carriers pursuant to Article 3 (commencing with Section 1170) of Chapter 2 of Part 2 of Division 1 of the Insurance Code.

(b) All interest or other increment resulting from the investment shall be deposited in the insurance fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the insurance fund shall not be 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.

51626. The insurance fund shall be organized as a public enterprise fund.

51627. The assets of the insurance fund shall be applicable to the payment of losses sustained on account of insurance and to the payment of the salaries and other expenses charged against it in accordance with this part.

51628. The agency shall, after a reasonable time during which it may establish a business, be fairly competitive with other insurers, and it is the intent of the Legislature that the insurance fund shall ultimately become neither more nor less than self-supporting.

However, this section shall not be construed to preclude the insurance fund from operating in a manner that will permit the agency to create additional reserves from operations in order that the agency can maximize its insurance capacity.

51632. Claims arising out of activities of the agency on behalf of the insurance fund pursuant to this part are exempted from the provisions of Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code.

51636. Except as provided in this part, the agency, on behalf of the insurance fund pursuant to this part, shall not be subject to the provisions of the Government Code made applicable to state agencies generally or collectively, unless the section specifically names the fund as an agency to which the provision applies.

51637. With respect to the administration of the insurance fund, the agency shall be subject to the provisions of Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1 of, and Division 5 (commencing with Section 18000) of Title 2 of, the Government Code, and any other personnel management provisions in law that are generally applicable to state employees. Notwithstanding subdivision (e) of Section 3513 of the Government Code, up to five positions of the insurance fund of the agency may be designated as managerial under Section 18801.1 of the Government Code. All other position designations in the insurance fund of the agency are subject to Sections 3513 and 18801.1 of the Government Code. In making these designations, consideration shall be given to the agency's need and continued ability to attract and maintain qualified individuals within the insurance fund.

51639. The agency shall establish reserve accounts for unearned premiums, losses, and potential catastrophic losses caused by economic cycles. The agency shall not cause sums to be withdrawn from the loan insurance reserve account in amounts which would reduce the moneys therein to less than the insurance reserve requirement, except as necessary to satisfy liabilities arising under contracts of loan insurance. In the event that the loan insurance reserve account is reduced to less than the insurance reserve requirement, the agency shall cease making commitments for, and contracts of, insurance until the loan insurance reserve account has been restored to satisfy that requirement.

51640. There is hereby continued in existence a bond insurance reserve account in the insurance fund to secure commitments under contracts to insure bonds. The agency shall take all reasonable steps to ensure that the bond reserve account is continuously maintained at not less than the bond reserve requirement. The agency shall not cause sums to be withdrawn from the bond insurance reserve account in amounts which would reduce the moneys therein to less than the bond reserve requirement, except as necessary to satisfy liabilities arising under contracts of bond insurance. In the event that the bond insurance reserve account is reduced to less than the bond reserve requirement, the agency shall cease making contracts of

bond insurance until the account has been restored to satisfy that requirement.

51641. The agency may create other accounts within the insurance fund as it deems are necessary or convenient to carry out the purposes of this part.

51642. (a) The obligation of the agency and of the state to pay any insurance benefit pursuant to contracts of insurance insuring loans or bonds shall not exceed amounts deposited in the insurance fund which are made available therefor under the respective contracts of insurance. Nothing in this part shall require the Legislature to appropriate moneys from the General Fund in the State Treasury to the insurance fund on account of these obligations. The insurance of loans or bonds under this part shall not directly, indirectly, or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

(b) All contracts of insurance insuring loans or bonds pursuant to this part shall contain on the face thereof a statement to the following effect: "Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this contract of insurance."

(c) Moneys in the insurance fund received from the proceeds of bonds issued pursuant to the California Housing and Jobs Investment Bond Act may not be transferred to any other fund of the agency except as necessary to pay the expenses of operating the program of loan and bond insurance for single-family residential housing authorized by this part, nor shall the agency utilize any of these moneys under the direction and control of the agency, other than moneys in the insurance fund, to satisfy liabilities arising from contracts of insurance authorized by this part.

(d) Moneys in the insurance fund may not be transferred to any other fund of the agency except as necessary to pay the expenses of operating the program of loan and bond insurance authorized by this part, nor shall the agency utilize any moneys under the direction and control of the agency to satisfy liabilities arising from contracts of insurance authorized by this part.

(e) The agency, on behalf of the California Housing Loan Insurance Fund, may borrow or receive moneys from the agency or from any federal, state, or local agency or private entity, in order to create reserves in the insurance fund for loan or bond insurance as provided in this part and as authorized by resolution of the board of directors.

(f) The agency shall create a separate reserve account for insuring mortgages of multifamily housing developments which shall consist of all of the following:

(1) Funds transferred by redevelopment agencies pursuant to Section 33334.2. The use of these funds shall be consistent with Section 33334.4.

(2) Any other funds available for insuring mortgages of

multifamily housing developments as may be made available for that purpose by law and as provided in this part.

(g) Reserve funds for the single-family mortgage guarantee insurance program and the multifamily residential mortgage guaranty insurance program shall not be commingled.

51643. The agency shall not be required to pay any tax or assessment on any property owned by the fund or upon the income therefrom.

51643.5. The agency shall be subject to, and comply with, the same reserve certification requirements as mortgage guaranty insurers who are licensed pursuant to Chapter 2A (commencing with Section 12640.01) of Part 6 of Division 2 of the Insurance Code.

CHAPTER 3. PROGRAM PRIORITIES

51645. The agency shall establish priorities for the allocation of loan-insurance assistance in accordance with the purposes and general provisions of Chapter 2 (commencing with Section 50950) of Part 3 of this division and Article 6 (commencing with Section 51225) of Chapter 5 of Part 3 of this division, in compliance with the needs identified in the California Statewide Housing Plan, and as provided in this part.

51646. Insured loans shall not be made available pursuant to this part in areas where there exists widespread damage of a substantial nature to residential structures resulting from any natural or other disaster, including fire, flood, wind, and earthquake.

51647. The agency shall establish and maintain separate accounts in the insurance fund for a single-family mortgage guaranty insurance program and a multifamily residential mortgage guaranty insurance program. Each program shall be actuarially sound and shall be capitalized through separate insurance funds.

51648. The agency shall make efforts to equitably distribute insurance based on a regionalized basis, weighted in accordance with the geographic distribution of the state's population. While maintaining the actuarial soundness of the fund, the agency shall focus on housing opportunities that benefit households with incomes at or below area median income, households that require mortgages at or above 95 percent of the price of the home, or households that are participating in locally administered housing programs.

CHAPTER 4. LOAN INSURANCE

51650. (a) To be qualified for loan insurance, a borrower shall be, or by reason of a loan insured pursuant to this part shall become, the owner of a multifamily rental housing development or a single-family residential structure for which an insured loan is authorized, and shall be able to bear the usual expenses of maintaining the housing development, development, or structure and repay the loan. To be qualified for loan insurance on a

single-family residential housing unit, the borrower shall also qualify as a person or family of low or moderate income, as that term is defined in Section 51603. The agency may, by resolution, establish additional requirements that it deems necessary to accomplish the purposes of this part.

(b) For the purpose of increasing the efficiency and minimizing the cost of the loan insurance program, the agency may insure or issue commitments to insure loans upon the certification of an officer of an approved lending institution that the borrower is qualified for loan insurance according to eligibility requirements specified by the agency.

51651. The agency shall specify the percentage of the outstanding principal indebtedness which may be insured under this part with respect to each category of loan authorized to be insured under this part. Loans not secured by a mortgage of first priority may be insured for an amount equal to 100 percent of the outstanding principal indebtedness. All other categories of loans may be insured only for the percentage of the amount of risk that the agency determines is necessary to induce approved lending institutions to make the loans for the purposes specified in this part.

51652. Loans insured under this part shall meet all of the following requirements:

(a) The loans shall be made for a period acceptable to the agency not to exceed 40 years or four-fifths of the remaining life of the structure, as determined by the agency, whichever is less.

(b) The loans shall be subject to maximum loan amounts for each category of loan authorized to be insured under this part.

(c) The loans shall be secured by mortgages, or the loan shall be wholly or partially insured or guaranteed by an agency or instrumentality of the United States, except for property improvement loans under limits established by the agency.

(d) The agency may establish loan-to-value limitations for each category of loan and may set forth limitations on the further encumbrance of structures and other real property securing loans, but only to the extent necessary to prevent unreasonable impairment of the agency's security. In no case involving refinancing shall the loan have a principal obligation in an amount exceeding the sum of the estimated cost of rehabilitation, if any, and the amount required to refinance existing indebtedness secured by the property and settlement and closing costs incurred in connection therewith.

(e) Loans involving the rehabilitation of residential structures shall have a principal obligation not exceeding an amount which, when added to any outstanding indebtedness constituting a lien upon the property securing the loan, creates a total outstanding indebtedness which would be reasonably secured by a mortgage of first priority on the property pursuant to subdivision (d), and as set forth by the agency.

(f) Loans involving refinancing may be insured only if refinancing is necessary to permit a borrower to afford the cost of rehabilitation,

to lower his or her monthly debt-to-income payments, minimize rent increases for occupants of the residential structure, where the rents would otherwise exceed affordable rents due to the expense of rehabilitation, or to achieve another purpose specified in this division.

(g) With respect to loans involving the rehabilitation of a residential structure, the agency shall determine that the rehabilitation is economically feasible. For purposes of this subdivision, the economic feasibility of rehabilitation projects involving commercial space in a mixed residential and commercial structure shall be determined independently for any structure to be rehabilitated for mixed residential and commercial uses.

(h) For the purpose of increasing the efficiency and minimizing the cost of the loan insurance program, the agency may insure, or issue commitments to insure, loans, upon the certification of an officer of an approved lending institution that the proposed rehabilitation conforms to requirements specified by the agency regarding economic feasibility.

(i) The agency shall contract with the insured or the borrower, or both, during the term of the insurance if the agency determines that either or both of those contracts is necessary to maintain residential rentals available to lower income households at affordable rents.

(j) Relocation payments shall be made to persons and families displaced in making a site or residential structure available for rehabilitation or construction financed by loans insured under this part, and relocation advisory assistance provided to those persons, as specified by Section 51063. Relocation payments for rehabilitation or construction financed by loans insured by this part, shall also be made to owners involuntarily displaced because of inability to afford costs of compliance required pursuant to this part, but any payment pursuant to Section 4623 of Title 42 of the United States Code or Section 7263 of the Government Code shall be limited to the reasonable costs of a replacement dwelling adequate to accommodate the displaced person or family without regard to whether the dwelling is otherwise comparable to the dwelling formerly occupied, less the amount received from sale of the dwelling. Relocation payments may be made from the proceeds of insured loans as authorized by the agency.

(k) The residential structure for which a loan is insured pursuant to this part shall be insured against loss due to fire and other causes, as provided by the agency.

(*l*) Any other terms and conditions as the agency determines are necessary to further the purposes of this part.

51653. Notwithstanding any other provision of law, any rental housing development which is financed from mortgages insured pursuant to this part is exempt from both of the following:

(a) Any local government prohibitions against condominium conversion any time after 10 years from the date a certificate of occupancy is issued. Any condominium conversion shall be made in

accordance with the requirements of Article 2.5 (commencing with Section 66452.50) of Chapter 3 of Division 2 of Title 7 of the Government Code.

(b) Any rent control, except for units made available to lower income households as provided pursuant to subdivision (b) of Section 51226.

51654. The agency may provide insurance pursuant to this part for loans for residential structures which will be occupied primarily by persons and families of low or moderate income and for loans for privately or publicly financed rental housing developments which will benefit lower income households. "Privately financed rental housing development," as used in this section, includes rental housing developments financed by local public entities, as defined in Section 50079.

51655. Subject to this part, the agency may insure or guarantee loans made by qualified mortgage lenders for the purposes described in Section 51320.

51656. Notwithstanding any other provision of this part, the agency may establish a program of insuring reverse mortgages as authorized by resolution of the board.

51657. (a) The agency shall establish, and may from time to time revise, after public hearings, a schedule of insurance premium rates. The premiums may vary according to the category of the loan and the degree of risk related to the loan. Premiums shall be calculated in an amount which, when added to the other revenues of the insurance program, will be adequate to defray losses occasioned by defaults and the operating expenses of the program, to repay amounts advanced to the agency for purposes of this part, and gradually to expand the insurance availability of the program. Approved lending institutions shall remit premiums to the fund at intervals specified by the agency.

(b) The agency may prescribe other charges that it finds necessary, including service charges and appraisal, inspection, and other fees.

51658. (a) The agency shall establish procedures to be followed by approved lending institutions in the event of default on a loan insured under this part. The agency may require that, prior to submitting a claim, an approved lending institution shall foreclose or exercise a power of sale and take possession of the property or otherwise acquire title and possession of the property within the time specified by the agency. The agency may, upon submission of the claim, pursue one of the following alternatives:

(1) Pay the approved lending institution the benefit of the insurance.

(2) Upon conveyance to the agency of all the right, title, and interest of the approved lending institution in the foreclosed property and the assignment of all claims of the approved lending institution against the defaulting borrower to the agency, pay to the qualified mortgage lender the sum of the unpaid principal balance

of the loan, foreclosure costs, accrued interest, and other costs defined by contract.

(3) Pay a partial claim prior to foreclosure by agreement with the insured.

(b) In any case in which the agency has insured only a portion of the outstanding principal indebtedness of a loan, it may further provide that not more than an equivalent percentage of the total accrued interest and costs shall be payable by the agency pursuant to this section in the event of a default.

51659. In the event of a default on an insured loan not secured by a first mortgage, the agency may, in lieu of proceeding under Section 51658, acquire the insured loan and any security therefor upon payment to the approved lending institution of an amount equal to the unpaid principal balance of the loan, accrued interest, and other costs that the agency finds are fair, reasonable, and authorized.

51660. The agency may initiate programs of coinsurance or reinsurance with, and may procure reinsurance from, any state agency, local agency, agency of the United States, or private mortgage insurer in order to accomplish more effectively the purposes of this part. The agency may coinsure or reinsure loans made or originated by approved lending institutions which are otherwise insurable under this part.

51661. The agency may provide for, and require attendance at, homeownership counseling and training courses as a condition to the insurance of loans for the purchase or refinancing of residential structures under this part.

51662. The agency may commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract of insurance, or any other agreement. The agency may bid for and purchase property sold in satisfaction thereof at any foreclosure or other sale or may otherwise acquire and take possession of that property.

CHAPTER 5. BOND INSURANCE

51670. (a) The agency may insure bonds issued by state or local agencies to finance or refinance the construction, rehabilitation, acquisition, or preservation of single-family and multifamily residential housing for persons and families of low and moderate income. The agency may charge and collect insurance premiums for the insurance and fees for services performed in conjunction with the processing and approval of insurance applications as determined by the agency. The agency shall take all reasonable steps to ensure that bonds insured pursuant to this chapter are in a form satisfactory to the agency and contain provisions relating to the underlying security for the bonds as may be required by the agency.

(b) The agency shall take reasonable steps to ensure that both of the following occur:

(1) The bonds contain, or are subject to, terms respecting

repayment, dates of maturity, and other provisions satisfactory to the agency.

(2) The bonds contain, or are subject to, provisions that the agency deems necessary with respect to security interests of the agency, including provisions relating to subrogation, liens and releases of liens, payment of taxes, escrow or trusteeship requirements, or other matters.

51671. The agency may insure bonds pursuant to this chapter only if it determines that the proceeds of the bonds will be utilized, to the maximum extent feasible, for one of the following purposes:

(a) Construction or rehabilitation of multifamily rental housing for persons and families of low or moderate income.

(b) Construction or rehabilitation of housing that utilizes federal rental or other subsidies.

(c) Construction or rehabilitation of other dwelling units for persons and families of low or moderate income.

CHAPTER 6. LOAN LOSS GUARANTEE PROGRAM

51680. The agency may administer a loan loss guarantee program in order to induce private lenders to make construction loans for seismic rehabilitation improvements which are designed to increase seismic structural safety in accordance with a plan developed by a civil engineer, structural engineer, or an architect for a property which has been identified by a local jurisdiction as being potentially hazardous, as defined in Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2 of the Government Code, or as being hazardous in the event of an earthquake, as defined in Article 4 (commencing with Section 19160) of Chapter 2 of Part 3 of Division 13.

51681. (a) Except as provided in subdivision (b), the agency shall only issue rehabilitation loan loss guarantees on single-family homes or on buildings with five or more residential units and where any commercial use in those buildings is limited to the basement and ground floors or where the commercial use occupies less than 15 percent of the total square footage of the building.

(b) For the purpose of using the program enacted by this chapter in conjunction with the multifamily seismic retrofit program authorized by Section 50668.5, the 15-percent limitation on commercial space required by subdivision (a) may be waived in order to facilitate the seismic retrofit of lower income housing.

51683. The agency may issue a loan loss guarantee in the amount of 25 percent of the actual loss of a loan guaranteed under this section. The fund may not guarantee any loan loss in excess of the amount of permanent loan financing for the property. No guarantee shall be made for a property which does not have a binding, unconditional, permanent financing commitment from a lender acceptable to the agency, nor for a property in which the owner has less than a 20-percent equity interest.

51684. (a) The agency shall collect a premium for a loan loss guarantee as provided in Section 51657. All premiums shall be deposited in the Seismic Rehabilitation Loan Loss Guarantee Account within the insurance fund, which is hereby created.

(b) Premiums shall be calculated in an amount which, when added to the other revenues of the account, will be adequate to, in the following order of priority: pay losses on claims made under loan loss guarantees issued hereunder, pay actual operating costs of the program, and repay moneys transferred to the account pursuant to Section 51685. The agency is authorized to transfer from the account actual operating expenses necessary for its administration of this program. Any excess premiums shall be retained in the account and used to expand the loan loss guarantee program hereunder.

(c) Moneys in the account shall be segregated from other moneys of the insurance fund and shall not be transferred from the account for any purpose, except as provided in this chapter. Loan loss guarantees issued by the agency for the benefit of either construction lenders or borrowers shall specify that only the moneys in the account are available to pay claims under loan loss guarantees and that the other assets of the insurance fund, the assets of the agency, and the assets of the State of California are not available to pay claims or damages resulting from loan loss guarantees.

51685. Moneys transferred to the insurance fund under this section may be used to create reserves for loan loss guarantees authorized by this chapter and for the initial administrative expenses of the program which are not offset by premium income.

51685.5. (a) Notwithstanding any other provision of law, the California Housing Insurance Fund may borrow one million eight hundred thousand dollars ($1,800,000) from the Local Agency Indebtedness Fund, established pursuant to Article 6.5 (commencing with Section 16496) of Chapter 3 of Division 4 of Title 2 of the Government Code, for the purpose of establishing the Seismic Rehabilitation Loan Loss Guarantee Account within the fund as authorized by subdivision (d) of Section 51642.

(b) Upon request of the agency, the Pooled Money Investment Board shall transfer from the Local Agency Indebtedness Fund amounts authorized hereunder and upon terms and conditions to which the agency and the board shall agree. Moneys borrowed hereunder shall constitute a loan, which shall be repaid with simple interest accrued at the pooled money investment rate exclusively from premium income collected by the agency for seismic rehabilitation loan loss guarantees issued under this chapter. No other moneys of the agency shall be liable for repayment of the loan from the Local Agency Indebtedness Fund. The loan authorized, along with accrued interest, shall be due and payable not later than one year from the date of expiration of the last outstanding loan loss guarantee issued, or not later than January 1, 2010, whichever comes first, or unless the Legislature extends the sunset provision of this program because of the success and continuing need for the

program.

(c) Moneys transferred to the agency under this section may be used to create reserves for loan loss guarantees authorized by this chapter and for the initial administrative expenses of the program which are not offset by premium income.

51686. In addition to the powers expressly granted by this chapter, the agency shall have all the powers granted under this part in administering this program which are not inconsistent with this chapter.

51687. This chapter shall be inoperative if moneys are not transferred to the fund pursuant to Section 51685.5 for the purposes defined in Section 51680.

SEC. 5. Section 12640.02 of the Insurance Code is amended to read:

12640.02. The definitions set forth in this article shall govern the construction of the terms used in this chapter but shall not affect any other provisions of this code.

(a) "Mortgage guaranty insurance" means:

(1) Insurance against financial loss by reason of nonpayment of principal, interest, and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a first lien or charge on real estate, provided the improvement on the real estate is a residential building or a condominium unit or buildings designed for occupancy by not more than four families.

(2) Insurance against financial loss by reason of nonpayment of principal, interest, and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a junior lien or charge on real estate, provided the improvement on the real estate is a residential building or a condominium unit or building designed for occupancy by not more than four families.

(3) Insurance against financial loss by reason of nonpayment of principal, interest and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a lien or charge on real estate, provided the improvement on the real estate is a building or buildings designed for occupancy by five or more families or designed to be occupied for industrial or commercial purposes.

(4) Insurance against financial loss by reason of nonpayment of rent and other sums agreed to be paid under the terms of a written lease for the possession, use or occupancy of real estate, provided the improvement on the real estate is a building or buildings designed to be occupied for industrial or commercial purposes.

(b) (1) "Authorized real estate security" for the purposes of this chapter means either (A) real estate, plus the balance of any pledged cash account, pledged borrower retirement account, or collateralized guaranty agreement contracted for by parents, blood

relatives, employers, or nonprofit corporations for the benefit of the borrower; or (B) real estate securing a note, bond, or other evidence of indebtedness by a junior mortgage, deed of trust, or other instrument constituting a junior lien or charge on the real estate, which, when combined with all existing mortgage loan amounts, does not exceed a total indebtedness equal to 90 percent of the fair market value of the real estate at the time the junior loan is made, unless otherwise approved by the department when the institution wishes to engage in that program or plan, upon payment of a filing fee of four hundred dollars ($400), subject to a limitation on total indebtedness of 95 percent of the fair market value of the real estate at the time the junior loan is made, provided, in all cases that both of the following are true:

(i) The real estate loan secured in this manner is any type of loan which a bank, savings and loan association, mortgage banker, credit union, mortgage loan broker, or an insurance company, which is supervised and regulated by a department of this state or an agency of the federal government, is authorized to make or arrange, or would be authorized to make or arrange, disregarding any requirement applicable to such an institution that the amount of the loan not exceed a certain percentage of the value of the real estate.

(ii) The improvement on the real estate is a building or buildings designed for occupancy as specified by paragraphs (1), (2), and (3) of subdivision (a).

(C) The lien on the real estate may be subject and subordinate to the following:

(i) The lien of any public bond, assessment, or tax, when no installment, call, or payment of or under the bond, assessment, or tax is delinquent.

(ii) Outstanding mineral, oil or timber rights, rights-of-way, easements or rights-of-way or support, sewer rights, building restrictions or other restrictions or covenants, conditions or regulations of use, or outstanding leases upon the real property under which rents or profits are reserved to the owner thereof.

(2) "Authorized real estate security" also means a stock or membership certificate issued to a tenant-stockholder or resident-member by a completed fee simple cooperative housing corporation, as defined in Section 17265 of the Revenue and Taxation Code and Section 216 of the United States Internal Revenue Code.

(c) "Contingency reserve" means an additional premium reserve established for the protection of policyholders against the effect of adverse economic cycles.

(d) "Policyholders surplus" means the aggregate of capital, surplus and contingency reserve.

SEC. 6. Section 12640.07 of the Insurance Code is amended to read:

12640.07. (a) Mortgage guaranty insurance may be transacted in this state only by a stock or mutual casualty insurer holding a certificate of authority for the transaction of the insurance pursuant

to this chapter, and shall be written only to insure either of the following:

(1) Loans secured by first liens on authorized real estate securities not exceeding, at the time the loan is made, 97 percent of the fair market value of the authorized real estate security, as defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 12640.02.

(2) Loans secured by junior liens, as defined in subparagraph (B) of paragraph (1) of subdivision (b) of Section 12640.02.

(b) Any reciprocal insurer engaging in this type of business shall be bound by all provisions of this chapter, including the requirements as to paid-in capital and paid-in surplus.

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 counteract the effects of a statewide trend towards declining rates of home ownership, and in order to revitalize the state's economy, particularly with regard to the construction of new homes and the residential resale market, it is necessary that the funding provided by this act be available as soon as possible. It is therefore necessary that this act take effect immediately.

CHAPTER 116

An act to amend Section 52528 of, to add Part 6.1 (commencing with Section 52534) to, to add and repeal Chapter 4 (commencing with Section 52533.5) of Part 6 of, and to repeal Part 6 (commencing with Section 52500) 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 July 15, 1993. Filed with Secretary of State July 15, 1993.]

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

SECTION 1. Section 52528 of the Health and Safety Code is amended to read:

52528. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate of fifteen million dollars ($15,000,000), in the manner provided in this chapter. The debt or debts, liability or liabilities, shall be created for the purpose of providing the funds to be used for the purposes specified in Section 52505 and shall be deposited in the First-Time Home Buyers Fund created pursuant to Section 52504.

SEC. 2. Chapter 4 (commencing with Section 52533.5) is added

to Part 6 of Division 31 of the Health and Safety Code, to read:

CHAPTER 4. REPEAL

52533.5. Notwithstanding any other provision of law, the agency shall have no authority to make mortgages or to incur debt pursuant to this part after the date of the approval of the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534)) by the California electorate.

52533.6. This part shall remain in effect only until the Director of Finance certifies, in writing, to the Secretary of State that all mortgages made, and all debts incurred, pursuant to this part on or before the date of the approval of the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534)) by the California electorate, have been extinguished, and as of the date of that certification is repealed, unless a later enacted statute, which is enacted before that certification, deletes or extends that date.

SEC. 3. Part 6.1 (commencing with Section 52534) is added to Division 31 of the Health and Safety Code, to read:

PART 6.1. CALIFORNIA HOUSING AND JOBS INVESTMENT BOND ACT

52534. This part shall be known and may be cited as the California Housing and Jobs Investment Bond Act.

52534.1. The Legislature finds and declares all of the following:

(a) The First-Time Home Buyers Bond Act of 1982 authorized two hundred million dollars ($200,000,000) in bonds for a program that became unworkable. There remains one hundred eighty-five million dollars ($185,000,000) in authorized but unissued bonds under the First-Time Home Buyers Bond Act of 1982.

(b) Pursuant to Section 1 of Article XVI of the California Constitution, the Legislature may reduce the amount of indebtedness authorized under a bond act approved by the voters to an amount not less than the amount issued under the bond act at the time of the reduction.

(c) It is desirable to reduce the authorized indebtedness under the First-Time Home Buyers Bond Act of 1982 to an amount equal to the amount of the bonds that have been issued under that act and seek the voters' approval of the expenditure of the unused portion of that amount, which will then be used to improve the availability of mortgage financing for residential housing for persons and families of low and moderate income as provided in Part 4 (commencing with Section 51600).

52534.2. As used in this part, the following terms have the following meanings:

(a) "Board" means the board of directors of the California Housing Finance Agency. The board shall be the "board" 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).

(b) "Committee" means the Housing Loan Insurance Bond Committee, which is hereby created, consisting of the Director of Finance, the Treasurer, the executive director of the agency, and the Controller. The Treasurer shall serve as chairperson of the committee. The committee shall be the "committee" as that term is used in the State General Obligation Bond Law.

(c) "Fund" means the California Housing Loan Insurance Fund as authorized by Section 51623.

52534.3. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the fund. Notwithstanding Section 13340 of the Government Code, all amounts in the fund are continuously appropriated for the purpose of mortgage guaranty insurance for low and moderate income first-time home buyers, as specified in Part 4 (commencing with Section 51600), and the expenses of sale of the bonds.

52534.4. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is hereby 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 part, and the provisions of that law are included in this part as though set out in full in this part. Section 16727 of the Government Code shall not apply to proceeds of bonds issued pursuant to this part.

52534.5. The committee is hereby authorized and empowered to create a debt or debts and a liability or liabilities of the State of California, in the aggregate amount of one hundred eighty-five million dollars ($185,000,000), not including the amount of any refunding bonds, or so much thereof as necessary, for carrying out the purposes specified in Section 52534.3, and shall be deposited in the fund. The proceeds of the bonds may also be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

52534.6. Notwithstanding Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the committee may, whenever it deems it necessary to effectuate this part or to conduct an effective sale, authorize the Treasurer to sell any issue of bonds under either, or both, of the following conditions:

(a) With interest payments to be made less frequently than semiannually, and an initial interest payment later than one year after the date of the bonds, if the interest payment date is not later than the maturity date of the bonds and is fixed to coincide, as nearly as the fund may deem it to be practicable, with the dates and amounts of the estimated revenues estimated to accrue to the fund pursuant to this part.

(b) At less than the par value thereof if necessary to an effective sale, but the discount pursuant to this subdivision shall not exceed 6

percent of the par value thereof.

52534.7. The committee, upon the request of the board, shall determine whether or not it is necessary or desirable to issue any bonds authorized under this part, 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 a time or times fixed by the Treasurer. The bonds may be sold with interest subject to federal income taxation.

52534.8. (a) All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually in the same manner and at the same time as other state revenue is collected, a sum, in addition to the ordinary revenues of the state, that 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 any additional sum.

52534.9. 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, 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.

52534.10. 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.

52534.11. Bonds issued and sold pursuant to this part 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.

52534.12. Notwithstanding any provision of this part or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this part the interest on which is intended to be excluded from gross income for federal tax purposes, the Treasurer shall be authorized to maintain separate accounts for the investment of bond proceeds and the investment earnings on these proceeds, and the Treasurer shall be authorized to use or direct the use of these proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

52534.13. 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 part. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this part. 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 for use in accordance with this part.

52534.14. The board shall determine annually whether the moneys earned from the use of the fund exceed the required program costs and reserves so that they should be transferred to the General Fund to repay the cost, which includes principal and interest, of the bonds issued pursuant to this part. In making this determination, the board of directors shall consider the capital and surplus reserve requirements, earnings, future business needs, regulatory costs, financial conditions, and any other factors appropriate to the prudent management of the programs prescribed pursuant to this part, and the board of directors shall use actuarially sound methods and generally accepted accounting principles.

52534.15. The Legislature may, from time to time, amend the provisions of law relating to programs to which funds are, or have been, allocated pursuant to Section 52534.5 for the purpose of improving the efficiency and effectiveness of the program. The Legislature may also, from time to time, amend the provisions of law relating to the programs to which funds are, or have been, allocated pursuant to Section 52534.5 for the purpose of furthering the goals of the program.

SEC. 4. (a) Notwithstanding Sections 3525, 3528, 3529, 3560, 3578, and 10218 of the Elections Code or any other provision of law, a ballot measure that sets forth the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 of this act, shall be submitted to the voters at the statewide election to be held on November 2, 1993.

(b) The Secretary of State shall ensure the placement of the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 of this act, on the November 2, 1993, statewide election 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 provisions contained in the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 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, both of

the following shall occur:

(1) The Legislative Analyst shall prepare an impartial analysis of the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 of this act, as expeditiously as possible, but no later than five days after the effective date of this act.

(2) The analysis prepared pursuant to this subdivision 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 the Elections Code regarding the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 of this act. If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet, regarding the California Housing and Jobs Investment 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 statewide election to be held on November 2, 1993.

SEC. 5. Notwithstanding any other provision of law, if the voters do not approve the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 of this act, at the statewide election to be held on November 2, 1993, the California Housing and Jobs Investment Bond Act shall be submitted to the voters at the statewide general election to be held on November 8, 1994, in accordance with the provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters.

SEC. 6. (a) Notwithstanding any other provision of law, all ballots of any election on Section 3 of this act shall have printed thereon and in a square thereof, the words: "California Housing and Jobs Investment Bond Act" and in the same square under those words, the following in 8-point type: "This act establishes a comprehensive program to address the severe housing crisis in California by authorizing the issuance of bonds, requires the proceeds of the bonds to be deposited into the California Housing Loan Insurance Fund for the purpose of providing mortgage guaranty insurance for low and moderate income first-time home buyers pursuant to Part 4 (commencing with Section 51600) of Division 31 of the Health and Safety Code, and requires the repayment of General Fund costs from program revenues in excess of required program costs and reserves." 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.

(b) 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. Section 3 of this act shall become operative only upon adoption by the people of the measure submitted to the voters in accordance with Section 4 or 5 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 allow the California Housing and Jobs Investment Bond Act (Part 6.1 (commencing with Section 52534) of Division 31 of the Health and Safety Code), as set forth in Section 3 of this act, to be submitted to the voters at the statewide election to be held on November 2, 1993, it is necessary that this act take effect immediately.

CHAPTER 117

An act to add Section 3201.5 to the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. Section 3201.5 is added to the Labor Code, to read:

3201.5. (a) Except as provided in subdivisions (b) and (c), the Department of Industrial Relations and the courts of this state shall recognize as valid and binding any provision in a collective bargaining agreement between a private employer or groups of employers engaged in construction, construction maintenance, and related activities and a recognized or certified exclusive bargaining representative that establishes any of the following:

(1) An alternative dispute resolution system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes contained in this division, including, but not limited to, mediation and arbitration. Any system of arbitration shall provide that the decision of the arbiter or board of arbitration is subject to review by the appeals board in the same manner as provided for reconsideration of a final order, decision, or award made and filed by a workers' compensation judge pursuant to the procedures set forth in Article 1 (commencing with Section 5900) of Chapter 7 of Part 4 of Division 4, and the court of appeals pursuant to the procedures set

forth in Article 2 (commencing with Section 5950) of Chapter 7 of Part 4 of Division 4, governing orders, decisions, or awards of the appeals board. The findings of fact, award, order, or decision of the arbitrator shall have the same force and effect as an award, order, or decision of a workers' compensation judge. Any provision for arbitration established pursuant to this section shall not be subject to Sections 5270, 5270.5, 5271, 5272, 5273, 5275, and 5277.

(2) The use of an agreed list of providers of medical treatment that may be the exclusive source of all medical treatment provided under this division.

(3) The use of an agreed, limited list of qualified medical evaluators and agreed medical evaluators that may be the exclusive source of qualified medical evaluators and agreed medical evaluators under this division.

(4) Joint labor management safety committees.

(5) A light-duty, modified job or return-to-work program.

(6) A vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this division.

(b) Nothing in this section shall allow a collective bargaining agreement that diminishes the entitlement of an employee to compensation payments for total or partial disability, temporary disability, vocational rehabilitation, or medical treatment fully paid by the employer as otherwise provided in this division. Any agreement that violates this subdivision shall be declared null and void.

(c) Subdivision (a) shall apply only to the following:

(1) Private employers developing or projecting an annual workers' compensation premium, in California, of two hundred fifty thousand dollars ($250,000) or more.

(2) Groups of employers engaged in a workers' compensation safety group complying with Sections 11656.6 and 11656.7 of the Insurance Code, and established pursuant to a joint labor management safety committee or committees, which develops or projects annual workers' compensation insurance premiums of two million dollars ($2,000,000) or more.

(d) The premium rate for a policy of insurance issued pursuant to this section shall not be subject to the requirements of Section 11732 or 11732.4 of the Insurance Code.

(e) A copy of the collective bargaining agreement and the approximate number of employees who will be covered thereby shall be filed with the Administrative Director of the Division of Workers' Compensation. The director shall review the agreements for compliance with this section, shall notify the parties in the event any provisions are not in compliance, and shall recommend appropriate action to bring the agreements into compliance.

(f) Commencing July 1, 1994, and annually thereafter, the Division of Workers' Compensation shall report to the Director of

the Department of Industrial Relations the number of collective bargaining agreements received and the number of employees covered by these agreements.

(g) By June 30, 1996, the Administrative Director of the Division of Workers' Compensation shall prepare and notify Members of the Legislature that a report authorized by this section is available upon request. The report based upon aggregate data shall include the following:

(1) Person hours covered by agreements filed.

(2) The number of claims filed.

(3) The average cost per claim shall be reported by cost components whenever practicable.

(4) The number of litigated claims, including the number of claims submitted to mediation, the appeals board, or the court of appeals.

(5) The number of contested claims resolved prior to arbitration.

(6) The projected incurred costs and actual costs of claims.

(7) Safety history.

(8) The number of workers participating in vocational rehabilitation.

(9) The number of workers participating in light-duty programs.

The division shall have the authority to require those employers and groups of employers listed in subdivision (c) to provide the data listed above.

(h) The data obtained by the administrative director pursuant to this section shall be confidential and not subject to public disclosure under any law of this state. However, the Division of Workers' Compensation shall create derivative works pursuant to subdivisions (f) and (g) based on the collective bargaining agreements and data. Those derivative works shall not be confidential, but shall be public.

SEC. 2. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 3. This act shall become operative only if Assembly Bill 110, Assembly Bill 119, Assembly Bill 1300, and Senate Bill 484 of the 1993–94 Regular Session are all enacted and become effective on or before January 1, 1994.

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 facilitate the prompt commencement of numerous construction projects employing large numbers of workers, it is necessary for this act to take effect immediately.

CHAPTER 118

An act to amend Sections 3208.3 and 3600 of the Labor Code, relating to workers' compensation and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. Section 3208.3 of the Labor Code is amended to read:

3208.3. (a) A psychiatric injury shall be compensable if it is a mental disorder which causes disability or need for medical treatment, and it is diagnosed pursuant to procedures promulgated under paragraph (4) of subdivision (j) of Section 139.2 or, until these procedures are promulgated, it is diagnosed using the terminology and criteria of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Third Edition-Revised, or the terminology and diagnostic criteria of other psychiatric diagnostic manuals generally approved and accepted nationally by practitioners in the field of psychiatric medicine.

(b) (1) In order to establish that a psychiatric injury is compensable, an employee shall demonstrate by a preponderance of the evidence that actual events of employment were predominant as to all causes combined of the psychiatric injury.

(2) Notwithstanding paragraph (1), in the case of employees whose injuries resulted from being a victim of a violent act or from direct exposure to a significant violent act, the employee shall be required to demonstrate by a preponderance of the evidence that actual events of employment were a substantial cause of the injury.

(3) For the purposes of this section, "substantial cause" means at least 35 to 40 percent of the causation from all sources combined.

(c) It is the intent of the Legislature in enacting this section to establish a new and higher threshold of compensability for psychiatric injury under this division.

(d) Notwithstanding any other provision of this division, no compensation shall be paid pursuant to this division for a psychiatric injury related to a claim against an employer unless the employee has been employed by that employer for at least six months. The six months of employment need not be continuous. This subdivision shall not apply if the psychiatric injury is caused by a sudden and extraordinary employment condition. Nothing in this subdivision shall be construed to authorize an employee, or his or her dependents, to bring an action at law or equity for damages against the employer for a psychiatric injury, where those rights would not exist pursuant to the exclusive remedy doctrine set forth in Section 3602 in the absence of the amendment of this section by the act

adding this subdivision.

(e) Where the claim for compensation is filed after notice of termination of employment or layoff, including voluntary layoff, and the claim is for an injury occurring prior to the time of notice of termination or layoff, no compensation shall be paid unless the employee demonstrates by a preponderance of the evidence that actual events of employment were predominant as to all causes combined of the psychiatric injury and one or more of the following conditions exist:

(1) Sudden and extraordinary events of employment were the cause of the injury.

(2) The employer has notice of the psychiatric injury under Chapter 2 (commencing with Section 5400) prior to the notice of termination or layoff.

(3) The employee's medical records compiled prior to notice of termination or layoff contain evidence of treatment of the psychiatric injury.

(4) Upon a finding of sexual or racial harassment by any trier of fact, whether contractual, administrative, regulatory, or judicial.

(5) Evidence that the date of injury, as specified in Section 5411 or 5412, is subsequent to the date of the notice of termination or layoff, but prior to the effective date of the termination or layoff.

(f) For purposes of this section, an employee provided notice pursuant to Sections 44948.5, 44949, 44951, 44955, 44955.6, 72411, 87740, and 87743 of the Education Code shall be considered to have been provided a notice of termination or layoff only upon a district's final decision not to reemploy that person.

(g) A notice of termination or layoff that is not followed within 60 days by that termination or layoff shall not be subject to the provisions of this subdivision, and this subdivision shall not apply until receipt of a later notice of termination or layoff. The issuance of frequent notices of termination or layoff to an employee shall be considered a bad faith personnel action and shall make this subdivision inapplicable to the employee.

(h) No compensation under this division shall be paid by an employer for a psychiatric injury if the injury was substantially caused by a lawful, nondiscriminatory, good faith personnel action. The burden of proof shall rest with the party asserting the issue.

(i) When a psychiatric injury claim is filed against an employer, and an application for adjudication of claim is filed by an employer or employee, the division shall provide the employer with information concerning psychiatric injury prevention programs.

SEC. 2. Section 3600 of the Labor Code is amended to read:

3600. (a) Liability for the compensation provided by this division, in lieu of any other liability whatsoever to any person except as otherwise specifically provided in Sections 3602, 3706, and 4558, shall, without regard to negligence, exist against an employer for any injury sustained by his or her employees arising out of and in the course of the employment and for the death of any employee if the

injury proximately causes death, in those cases where the following conditions of compensation concur:

(1) Where, at the time of the injury, both the employer and the employee are subject to the compensation provisions of this division.

(2) Where, at the time of the injury, the employee is performing service growing out of and incidental to his or her employment and is acting within the course of his or her employment.

(3) Where the injury is proximately caused by the employment, either with or without negligence.

(4) Where the injury is not caused by the intoxication, by alcohol or the unlawful use of a controlled substance, of the injured employee. As used in this paragraph, "controlled substance" shall have the same meaning as prescribed in Section 11007 of the Health and Safety Code.

(5) Where the injury is not intentionally self-inflicted.

(6) Where the employee has not willfully and deliberately caused his or her own death.

(7) Where the injury does not arise out of an altercation in which the injured employee is the initial physical aggressor.

(8) Where the injury is not caused by the commission of a felony, or a crime which is punishable as specified in subdivision (b) of Section 17 of the Penal Code, by the injured employee, for which he or she has been convicted.

(9) Where the injury does not arise out of voluntary participation in any off-duty recreational, social, or athletic activity not constituting part of the employee's work-related duties, except where these activities are a reasonable expectancy of, or are expressly or impliedly required by, the employment. The administrative director shall promulgate reasonable rules and regulations requiring employers to post and keep posted in a conspicuous place or places a notice advising employees of the provisions of this subdivision. Failure of the employer to post the notice shall not constitute an expression of intent to waive the provisions of this subdivision.

(10) Except for psychiatric injuries governed by subdivision (e) of Section 3208.3, where the claim for compensation is filed after notice of termination or layoff, including voluntary layoff, and the claim is for an injury occurring prior to the time of notice of termination or layoff, no compensation shall be paid unless the employee demonstrates by a preponderance of the evidence that one or more of the following conditions apply:

(A) The employer has notice of the injury, as provided under Chapter 2 (commencing with Section 5400), prior to the notice of termination or layoff.

(B) The employee's medical records, compiled prior to the notice of termination or layoff, contain evidence of the injury.

(C) The date of injury, as specified in Section 5411, is subsequent to the date of the notice of termination or layoff, but prior to the effective date of the termination or layoff.

(D) The date of injury, as specified in Section 5412, is subsequent to the date of the notice of termination or layoff.

For purposes of this paragraph, an employee provided notice pursuant to Sections 44948.5, 44949, 44951, 44955, 44955.6, 72411, 87740, and 87743 of the Education Code shall be considered to have been provided a notice of termination or layoff only upon a district's final decision not to reemploy that person.

A notice of termination or layoff that is not followed within 60 days by that termination or layoff shall not be subject to the provisions of this paragraph, and this paragraph shall not apply until receipt of a later notice of termination or layoff. The issuance of frequent notices of termination or layoff to an employee shall be considered a bad faith personnel action and shall make this paragraph inapplicable to the employee.

(b) Where an employee, or his or her dependents, receives the compensation provided by this division and secures a judgment for, or settlement of, civil damages pursuant to those specific exemptions to the employee's exclusive remedy set forth in subdivision (b) of Section 3602 and Section 4558, the compensation paid under this division shall be credited against the judgment or settlement, and the employer shall be relieved from the obligation to pay further compensation to, or on behalf of, the employee or his or her dependents up to the net amount of the judgment or settlement received by the employee or his or her heirs, or that portion of the judgment as has been satisfied.

SEC. 3. The provisions of this act apply only to injuries occurring on or after the effective date of this act.

SEC. 4. This act shall become operative only if AB 110, AB 1300, SB 484, and SB 983 of the 1993–94 Regular Session are all enacted and become effective on or before January 1, 1994.

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

In order to make changes to California's workers' compensation system that are needed to provide immediate relief to California businesses and workers, it is necessary for this act to take effect immediately.

CHAPTER 119

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

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. The sum of five hundred thousand dollars ($500,000) is appropriated from the Workplace Health and Safety Revolving Fund to the Commission on Health and Safety and Workers' Compensation.

SEC. 2. The sum of four million six hundred thousand dollars ($4,600,000) is appropriated as a loan from the General Fund to the Department of Corporations to cover startup personnel and operating expenses for the period from January 1, 1994, to June 30, 1995, inclusive, relating to implementation of the Workers' Compensation Health Care Provider Organization Act. The loan shall be repaid over four years in equal annual installments of one million one hundred fifty thousand dollars ($1,150,000) plus interest calculated at the Pooled Money Investment Account rate.

SEC. 3. The sum of two million dollars ($2,000,000) is appropriated from the Workers' Compensation Administration Fund to the Division of Workers' Compensation.

SEC. 4. The sum of four million dollars ($4,000,000) is appropriated from the General Fund to the Division of Workers' Compensation.

SEC. 5. This act shall become operative only if Assembly Bills 110, 119, 1300, and Senate Bill 983 of the 1993–94 Regular Session are all enacted and become effective on or before January 1, 1994.

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

In order to make changes to California's workers' compensation system that are needed to provide immediate relief to California businesses and workers, it is necessary for this act to take effect immediately.

CHAPTER 120

An act to amend Section 6154 of, to add Section 730 to, and to add Chapter 2.7 (commencing with Section 5499.30) to Division 3 of, the Business and Professions Code, to amend Sections 750.4, 750.5, 1871.4, and 1877.5 of, and to add Sections 1871.5, 1871.6, and 1871.7 to, the Insurance Code, to amend Sections 3217, 4628, 4906, and 5703 of, to add Section 3219 to, and to add Article 5 (commencing with Section 3820) to Chapter 4 of Division 4 of, the Labor Code, to amend Section 550 of, and to add Section 1191.10 to, the Penal Code, and to amend Section 2714 of the Unemployment Insurance Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. Section 730 is added to the Business and Professions Code, to read:

730. Any person licensed under this division or under any initiative act referred to in this division shall not perform any medical evaluation for which the evaluator is required to be certified as a qualified medical evaluator pursuant to Section 139.2 of the Labor Code without having first obtained that certification. A violation of this section constitutes unprofessional conduct and grounds for disciplinary action.

SEC. 2. Section 6154 of the Business and Professions Code is amended to read:

6154. (a) Any contract for professional services secured by any attorney at law or law firm in this state through the services of a runner or capper is void. In any action against any attorney or law firm under the Unfair Practices Act, Chapter 4 (commencing with Section 17000) of Division 7, or Chapter 5 (commencing with Section 17200) of Division 7, any judgment shall include an order divesting the attorney or law firm of any fees and other compensation received pursuant to any such void contract. Those fees and compensation shall be recoverable as additional civil penalties under Chapter 4 (commencing with Section 17000) or Chapter 5 (commencing with Section 17200) of Division 7.

(b) Notwithstanding Section 17206 or any other provision of law, any fees recovered pursuant to subdivision (a) in an action involving professional services related to the provision of workers' compensation shall be allocated as follows: if the action is brought by the Attorney General, one-half of the penalty collected shall be paid to the State General Fund, and one-half of the penalty collected shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund; if the action is brought by a district attorney,

one-half of the penalty collected shall be paid to the treasurer of the county in which the judgment was entered, and one-half of the penalty collected shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund; if the action is brought by a city attorney or city prosecutor, one-half of the penalty collected shall be paid to the treasurer of the city in which the judgment was entered, and one-half of the penalty collected shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund. Moneys deposited into the Workers' Compensation Fraud Account pursuant to this subdivision shall be used in the investigation and prosecution of workers' compensation fraud, as appropriated by the Legislature.

SEC. 2.5. Chapter 2.7 (commencing with Section 5499.30) is added to Division 3 of the Business and Professions Code, to read:

CHAPTER 2.7. ADVERTISING FOR WORKERS' COMPENSATION LEGAL SERVICES

5499.30. (a) Any individual, firm, corporation, partnership, organization, or association which prints, displays, publishes, distributes, or broadcasts or causes or permits to be advertised, printed, displayed, published, distributed, or broadcast any advertising which purports to provide legal services for obtaining workers' compensation benefits shall include the name of at least one attorney associated with the individual, firm, corporation, partnership, organization, or association in all such advertising.

(b) As used in this section, the term "legal services" includes any service which refers potential clients to any attorney.

(c) A violation of this section is a misdemeanor, punishable by imprisonment in the county jail for not more than one year, or by a fine not exceeding ten thousand dollars ($10,000), or both.

SEC. 2.6. Section 750.4 of the Insurance Code is amended to read:

750.4. Section 750 of the Insurance Code, Sections 3215 and 3219 of the Labor Code, or Section 549 of the Penal Code shall not apply to any person, corporation, partnership, association, or firm, which both of the following:

(a) Operating on behalf of an insurer or self-insured person, company, association, or group.

(b) Operating pursuant to and within the scope of a certificate of consent issued pursuant to Section 3702.1 of the Labor Code or pursuant to and within the scope of a license issued pursuant to Article 3 (commencing with Section 14000) of Chapter 1 of Division 5.

SEC. 2.7. Section 750.5 of the Insurance Code is amended to read:

750.5. Nothing in Section 750 of the Insurance Code, Section 549 of the Penal Code, or Section 3215 of the Labor Code shall be construed to prevent an attorney or law firm from the following:

(a) Dividing fees for legal services with a lawyer under circumstances expressly permitted by Rule 2-200 of the Rules of Professional Conduct of the State Bar.

(b) Offering or giving an incidental nonmonetary gift or gratuity to a person who has made a recommendation resulting in the employment of the attorney or law firm, provided that the gift or gratuity was not offered in consideration of any promise, agreement, or understanding that the gift or gratuity would be forthcoming or that referrals would be made or encouraged in the future.

(c) Offering or giving a bonus to an employee who has made a referral or recommendation resulting in the employment of the attorney or law firm, provided that the bonus was not offered in consideration of any promise, agreement, or understanding that the bonus would be forthcoming or that referrals or recommendations would be made or encouraged in the future.

SEC. 3. Section 1871.4 of the Insurance Code is amended to read:

1871.4. (a) It is unlawful to do any of the following:

(1) Make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying any compensation, as defined in Section 3207 of the Labor Code.

(2) Present or cause to be presented any knowingly false or fraudulent written or oral material statement in support of, or in opposition to, any claim for compensation for the purpose of obtaining or denying any compensation, as defined in Section 3207 of the Labor Code.

(3) Knowingly assist, abet, conspire with, or solicit any person in an unlawful act under this section.

(4) Make or cause to be made any knowingly false or fraudulent statements with regard to entitlement to benefits with the intent to discourage an injured worker from claiming benefits or pursuing a claim.

For the purposes of this subdivision, "statement" includes, but is not limited to, any notice, proof of injury, bill for services, payment for services, hospital or doctor records, X-ray, test results, medical-legal expense as defined in Section 4620 of the Labor Code, other evidence of loss, injury, or expense, or payment.

(b) Every person who violates subdivision (a) shall be punished by imprisonment in county jail for one year, or in the state prison, for two, three, or five years, or by a fine not exceeding fifty thousand dollars ($50,000) or double the value of the fraud, whichever is greater, or by both imprisonment and fine. Restitution shall be ordered, including restitution for any medical evaluation or treatment services obtained or provided. The court shall determine the amount of restitution and the person or persons to whom the restitution shall be paid.

(c) Any person who violates subdivision (a) and who has a prior felony conviction of that subdivision, of former Section 1871.1, or of Section 548 or 550 of the Penal Code, shall receive a two-year enhancement for each prior conviction in addition to the sentence provided in subdivision (b).

The existence of any fact that would subject a person to a penalty

enhancement shall be alleged in the information or indictment 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 plea of guilty or nolo contendere or by trial by the court sitting without a jury.

(d) This section shall not be construed to preclude the applicability of any other provision of criminal law that applies or may apply to any transaction.

SEC. 3.1. Section 1871.5 is added to the Insurance Code, to read:

1871.5. Any person convicted of workers' compensation fraud pursuant to Section 1871.4 or Section 550 of the Penal Code shall be ineligible to receive or retain any compensation, as defined in Section 3207 of the Labor Code, where that compensation was owed or received as a result of a violation of Section 1871.4 or Section 550 of the Penal Code for which the recipient of the compensation was convicted.

SEC. 3.2. Section 1871.6 is added to the Insurance Code, to read:

1871.6. The provisions of Section 781 of the Penal Code are applicable to any prosecutions for violations of Section 1871.4. This section is declaratory of existing law and shall not be interpreted to limit the applicability of Section 781 of the Penal Code to any other criminal provisions.

SEC. 3.3. Section 1871.7 is added to the Insurance Code, to read:

1871.7. (a) It is unlawful to knowingly employ runners, cappers, steerers, or other persons to procure clients or patients to perform or obtain services or benefits pursuant to Division 4 (commencing with Section 3200) of the Labor Code.

(b) Every person who violates any provision of this section shall be subject, in addition to any other penalties that may be prescribed by law, to a civil penalty of not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), plus an assessment of not more than three times the amount of each claim for compensation, as defined in Section 3207 of the Labor Code, submitted in connection with violation of this section.

(c) Any person who violates subdivision (a) and who has a prior felony conviction of an offense set forth in Section 1871.1 or 1871.4, or in Section 549 of the Penal Code, shall be subject, in addition to the penalties set forth in subdivision (b), to a civil penalty of five thousand dollars ($5,000) for each item or service with respect to which a violation of subdivision (a) occurred.

(d) The Attorney General or district attorney may bring a civil action under this section.

(e) (1) Any interested persons may bring a civil action for a violation of this section for the person and for the State of California. The action shall be brought in the name of the state. The action may be dismissed only if the court and the Attorney General give written consent to the dismissal and their reasons for consenting.

(2) A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses shall be

served on the state. The complaint shall be filed in camera, shall remain under seal for at least 60 days, and shall not be served on the defendant until the court so orders. The Attorney General or local district attorney may elect to intervene and proceed with the action within 60 days after he or she receives both the complaint and the material evidence and information. If both the Attorney General and the district attorney elect to intervene, the Attorney General shall have precedence.

(3) The Attorney General or district attorney may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal under paragraph (2). The motions may be supported by affidavits or other submissions in camera. The defendant shall not be required to respond to any complaint filed under this section until 20 days after the complaint is unsealed and served upon the defendant.

(4) Before the expiration of the 60-day period or any extensions obtained under paragraph (3), the Attorney General or district attorney shall either:

(A) Proceed with the action, in which case the action shall be conducted by the Attorney General or district attorney.

(B) Notify the court that it declines to take over the action, in which case the person bringing the action shall have the right to conduct the action.

(5) When a person brings an action under this section, no person other than the Attorney General or district attorney may intervene or bring a related action based on the facts underlying the pending action.

(f) (1) If the Attorney General or district attorney proceeds with the action, he or she shall have the primary responsibility for prosecuting the action, and shall not be bound by an act of the person bringing the action. That person shall have the right to continue as a party to the action, subject to the limitations set forth in paragraph (2).

(2) (A) The Attorney General or district attorney may dismiss the action notwithstanding the objections of the person initiating the action if the person has been notified by the Attorney General or district attorney of the filing of the motion, and the court has provided the person with an opportunity for a hearing on the motion.

(B) The Attorney General or district attorney may settle the action with the defendant notwithstanding the objections of the person initiating the action if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all the circumstances. Upon a showing of good cause, the hearing may be held in camera.

(C) Upon a showing by the Attorney General or district attorney that unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the Attorney General's or district attorney's prosecution of the case, or would be repetitious, irrelevant, or for purposes of harassment, the

court may, in its discretion, impose limitations on the person's participation, including, but not limited to, the following:

(i) Limiting the number of witnesses the person may call.

(ii) Limiting the length of the testimony of such witnesses.

(iii) Limiting the person's cross-examination of witnesses.

(iv) Otherwise limiting the participation by the person in the litigation.

(D) Upon a showing by the defendant that unrestricted participation during the course of the litigation by the person initiating the action would be for purposes of harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the participation by the person in the litigation.

(3) If the Attorney General or district attorney elects not to proceed with the action, the person who initiated the action shall have the right to conduct the action. If the Attorney General or district attorney so requests, he or she shall be served with copies of all pleadings filed in the action and shall be supplied with copies of all deposition transcripts, at the Attorney General's or district attorney's expense. When a person proceeds with the action, the court, without limiting the status and rights of the person initiating the action, may nevertheless permit the Attorney General or district attorney to intervene at a later date upon a showing of good cause.

(4) Whether or not the Attorney General or district attorney proceeds with the action, upon a showing by the Attorney General or district attorney that certain actions of discovery by the person initiating the action would interfere with the Attorney General's or district attorney's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more than 60 days. A hearing on a request for the stay shall be conducted in camera. The court may extend the 60-day period upon a further showing in camera that the Attorney General or district attorney has pursued the criminal or civil investigation or proceedings with reasonable diligence and any proposed discovery in the civil action will interfere with the ongoing criminal or civil investigation or proceedings.

(5) Notwithstanding subdivision (e), the Attorney General or district attorney may elect to pursue its claim through any alternate remedy available to the Attorney General or district attorney. If any such alternate remedy is pursued in another proceeding, the person initiating the action shall have the same rights in that proceeding as the person would have had if the action had continued under this section. Any finding of fact or conclusion of law made in the other proceeding that has become final shall be conclusive on all parties to an action under this section. For purposes of the preceding sentence, a finding or conclusion is final if it has been finally determined on appeal to the appropriate court, if all time for filing an appeal with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

(g) (1) If the Attorney General or district attorney proceeds with

an action brought by a person under subdivision (e), that person shall, subject to the second sentence of this paragraph, receive at least 15 percent but not more than 25 percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the person substantially contributed to the prosecution of the action. Where the action is one that the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions in a criminal, civil, or administrative hearing, in a legislative or administrative report, hearing, audit, or investigation, or from the news media, the court may award such sums as it considers appropriate, but in no case more than 10 percent of the proceeds, taking into account the significance of the information and the role of the person bringing the action in advancing the case to litigation. Any payment to a person under the first or second sentence of this paragraph shall be made from the proceeds. Any such person shall also receive an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable attorneys' fees and costs. All of those expenses, fees, and costs shall be awarded against the defendant.

(2) If the Attorney General or district attorney does not proceed with an action under this section, the person bringing the action or settling the claim shall receive an amount that the court decides is reasonable for collecting the civil penalty and damages. The amount shall not be less than 25 percent and not more than 30 percent of the proceeds of the action or settlement and shall be paid out of the proceeds. That person shall also receive an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable attorneys' fees and costs. All of those expenses, fees, and costs shall be awarded against the defendant.

(3) Whether or not the Attorney General or district attorney proceeds with the action, if the court finds that the action was brought by a person who planned and initiated the violation of this section, that person shall be dismissed from the civil action and shall not receive any share of the proceeds of the action. The dismissal shall not prejudice the right of the Attorney General or district attorney to continue the action on behalf of the state.

(4) If the Attorney General or district attorney does not proceed with the action, and the person bringing the action conducts the action, the court may award to the defendant its reasonable attorneys' fees and expenses if the defendant prevails in the action and the court finds that the claim of the person bringing the action was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment.

(h) (1) In no event may a person bring an action under subdivision (e) that is based upon allegations or transactions that are the subject of a civil suit or an administrative civil money penalty proceeding in which the Attorney General or district attorney is already a party.

(2) (A) No court shall have jurisdiction over an action under this section based upon the public disclosure of allegations or transactions in a criminal, civil, or administrative hearing in a legislative or administrative report, hearing, audit, or investigation, or from the news media, unless the action is brought by the Attorney General or the person bringing the action is an original source of the information.

(B) For purposes of this paragraph, "original source" means an individual who has direct and independent knowledge of the information on which the allegations are based and has voluntarily provided the information to the Attorney General or district attorney before filing an action under this section which is based on the information.

(i) The Attorney General or district attorney is not liable for expenses that a person incurs in bringing an action under this section.

(j) In civil actions brought under this section by the Attorney General or district attorney, the court shall award to a prevailing defendant reasonable attorneys' fees and expenses unless the court finds that the position of the Attorney General or district attorney was substantially justified or that special circumstances make an award unjust.

(k) Any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because of lawful acts done by the employee on behalf of the employee or others in furtherance of an action under this section, including investigation for, initiation of, testimony for, or assistance in an action filed or to be filed under this section, shall be entitled to all relief necessary to make the employee whole. That relief shall include reinstatement with the same seniority status the employee would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees. An employee may bring an action in the appropriate superior court for the relief provided in this subdivision. The remedies under this section are in addition to any other remedies provided by existing law.

SEC. 3.6. Section 1877.5 of the Insurance Code is amended to read:

1877.5. No insurer, or agent authorized by an insurer to act on its behalf, who furnishes information, written or oral, pursuant to this article, and no authorized governmental agency or its employees who (a) furnishes or receives information, written or oral, pursuant to this article, or (b) assists in any investigation of a suspected violation of Section 1871.1, 1871.4, 11760, or 11880, or of Section 549 of the Penal Code, or of Section 3215 or 3219 of the Labor Code conducted by an authorized governmental agency, shall be subject to any civil liability in a cause or action of any kind where the insurer, authorized agent, or authorized governmental agency acts in good

faith, without malice, and reasonably believes that the action taken was warranted by the then known facts, obtained by reasonable efforts. Nothing in this chapter is intended to, nor does in any way or manner, abrogate or lessen the existing common law or statutory privileges and immunities of an insurer, agent authorized by that insurer to act on its behalf, or any authorized governmental agency or its employees.

SEC. 3.7. Section 3217 of the Labor Code is amended to read:

3217. (a) Section 3215 shall not be construed to prevent the recommendation of professional employment where that recommendation is not prohibited by the Rules of Professional Conduct of the State Bar.

(b) Section 3215 shall not be construed to prohibit a public defender or assigned counsel from making known his or her availability as a criminal defense attorney to persons unable to afford legal counsel, whether or not those persons are in custody.

(c) Any person who commits an act that violates both Section 3215 and either Section 650 of the Business and Professions Code or Section 750 of the Insurance Code shall, upon conviction, have judgment and sentence imposed for only one violation for any act.

SEC. 4. Section 3219 is added to the Labor Code, to read:

3219. (a) (1) Except as otherwise permitted by law, any person acting individually or through his or her employees or agents, who offers or delivers any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration to any adjuster of claims for compensation, as defined in Section 3207, as compensation, inducement, or reward for the referral or settlement of any claim, is guilty of a felony.

(2) Except as otherwise permitted by law, any adjuster of claims for compensation, as defined in Section 3207, who accepts or receives any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration, as compensation, inducement, or reward for the referral or settlement of any claim, is guilty of a felony.

(b) Any contract for professional services secured by any medical clinic, laboratory, physician or other health care provider in this state in violation of Section 550 of the Penal Code, Section 1871.4 of the Insurance Code, Section 650 or 651 of the Business and Professions Code, or Section 3215 or subdivision (a) of Section 3219 of this code is void. In any action against any medical clinic, laboratory, physician, or other health care provider, or the owners or operators thereof, under Chapter 4 (commencing with Section 17000) or Chapter 5 (commencing with Section 17200) of Division 7 of the Business and Professions Code, any judgment shall include an order divesting the medical clinic, laboratory, physician, or other health care provider, and the owners and operators thereof, of any fees and other compensation received pursuant to any such void contract. Those fees and compensation shall be recoverable as additional civil penalties under Chapter 4 (commencing with Section 17000) or

Chapter 5 (commencing with Section 17200) of Division 7 of the Business and Professions Code. The judgment may also include an order prohibiting the person from further participating in any manner in the entity in which that person directly or indirectly owned or operated for a time period that the court deems appropriate. For the purpose of this section, "operated" means participated in the management, direction, or control of the entity.

(c) Notwithstanding Section 17206 or any other provision of law, any fees recovered pursuant to subdivision (b) in an action involving professional services related to the provision of workers' compensation shall be allocated as follows: if the action is brought by the Attorney General, one-half of the penalty collected shall be paid to the State General Fund, and one-half of the penalty collected shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund; if the action is brought by a district attorney, one-half of the penalty collected shall be paid to the treasurer of the county in which the judgment was entered, and one-half of the penalty collected shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund; if the action is brought by a city attorney or city prosecutor, one-half of the penalty collected shall be paid to the treasurer of the city in which the judgment was entered, and one-half of the penalty collected shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund. Moneys deposited into the Workers' Compensation Fraud Account pursuant to this subdivision shall be used in the investigation and prosecution of workers' compensation fraud, as appropriated by the Legislature.

SEC. 4.5. Article 5 (commencing with Section 3820) is added to Chapter 4 of Division 4 of the Labor Code, to read:

Article 5. Workers' Compensation Misrepresentations

3820. (a) In enacting Sections 1871.5 and 1871.6, the Legislature declares that there exists a compelling interest in eliminating fraud in the workers' compensation system. The Legislature recognizes that the conduct prohibited by these sections is, for the most part, already subject to criminal penalties pursuant to other provisions of law. However, the Legislature finds and declares that the addition of civil money penalties will provide necessary enforcement flexibility. The Legislature, in exercising its plenary authority related to workers' compensation, declares that these sections are both necessary and carefully tailored to combat the fraud and abuse that is rampant in the workers' compensation system.

(b) It is unlawful to do any of the following:

(1) Willfully misrepresent any fact in order to obtain workers' compensation insurance at less than the proper rate.

(2) Present or cause to be presented any knowingly false or fraudulent written or oral material statement in support of, or in opposition to, any claim for compensation for the purpose of obtaining or denying any compensation, as defined in Section 3207.

(3) Knowingly solicit, receive, offer, pay, or accept any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for soliciting or referring clients or patients to obtain services or benefits pursuant to Division 4 (commencing with Section 3200) unless the payment or receipt of consideration for services other than the referral of clients or patients is lawful pursuant to Section 650 of the Business and Professions Code or expressly permitted by the Rules of Professional Conduct of the State Bar.

(4) Knowingly operate or participate in a service that, for profit, refers or recommends clients or patients to obtain medical or medical-legal services or benefits pursuant to Division 4 (commencing with Section 3200).

(5) Knowingly assist, abet, solicit, or conspire with any person who engages in an unlawful act under this section.

(c) For the purposes of this section, "statement" includes, but is not limited to, any notice, proof of injury, bill for services, payment for services, hospital or doctor records, X-ray, test results, medical-legal expenses as defined in Section 4620, or other evidence of loss, expense, or payment.

(d) Any person who violates any provision of this section shall be subject, in addition to any other penalties that may be prescribed by law, to a civil penalty of not less than two thousand dollars ($2,000) nor more than five thousand dollars ($5,000), plus an assessment of not more than three times the amount of the medical treatment expenses paid pursuant to Article 2 (commencing with Section 4600) and medical-legal expenses paid pursuant to Article 2.5 (commencing with Section 4620) for each claim for compensation submitted in violation of this section.

(e) Any person who violates subdivision (b) and who has a prior felony conviction of an offense set forth in Section 1871.1 or 1871.4 of the Insurance Code, or in Section 549 of the Penal Code, shall be subject, in addition to the penalties set forth in subdivision (d), to a civil penalty of two thousand dollars ($2,000) for each item or service with respect to which a violation of subdivision (b) occurred.

(f) The penalties provided for in subdivisions (d) and (e) shall be assessed and recovered In a civil action brought in the name of the people of the State of California by any district attorney.

(g) In assessing the amount of the civil penalty the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including, but not limited to, the following: the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.

(h) All penalties collected pursuant to this section shall be paid to the Workers' Compensation Fraud Account in the Insurance Fund

pursuant to Section 1872.83 of the Insurance Code. All costs incurred by district attorneys in carrying out this article shall be funded from the Workers' Compensation Fraud Account. It is the intent of the Legislature that the program instituted by this article be supported entirely from funds produced by moneys deposited into the Workers' Compensation Fraud Account from the imposition of civil money penalties for workers' compensation fraud collected pursuant to this section. All moneys claimed by district attorneys as costs of carrying out this article shall be paid pursuant to a determination by the Fraud Assessment Commission established by Section 1372.83 of the Insurance Code and on appropriation by the Legislature.

SEC. 5. Section 4628 of the Labor Code is amended to read:

4628. (a) Except as provided in subdivision (c), no person, other than the physician who signs the medical-legal report, except a nurse performing those functions routinely performed by a nurse, such as taking blood pressure, shall examine the injured employee or participate in the nonclerical preparation of the report, including all of the following:

(1) Taking a complete history.

(2) Reviewing and summarizing prior medical records.

(3) Composing and drafting the conclusions of the report.

(b) The report shall disclose the date when and location where the evaluation was performed; that the physician or physicians signing the report actually performed the evaluation; whether the evaluation performed and the time spent performing the evaluation was in compliance with the guidelines established by the Industrial Medical Council or the administrative director pursuant to paragraph (5) of subdivision (j) of Section 139.2 or Section 5307.6 and shall disclose the name and qualifications of each person who performed any services in connection with the report, including diagnostic studies, other than its clerical preparation. If the report discloses that the evaluation performed or the time spent performing such evaluation was not in compliance with the guidelines established by the Industrial Medical Council or the administrative director, the report shall explain, in detail, any variance and the reason or reasons therefor.

(c) If the initial outline of a patient's history or excerpting of prior medical records is not done by the physician, the physician shall review the excerpts and the entire outline and shall make additional inquiries and examinations as are necessary and appropriate to identify and determine the relevant medical issues.

(d) No amount may be charged in excess of the direct charges for the physician's professional services and the reasonable costs of laboratory examinations, diagnostic studies, and other medical tests, and reasonable costs of clerical expense necessary to producing the report. Direct charges for the physician's professional services shall include reasonable overhead expense.

(e) Failure to comply with the requirements of this section shall make the report inadmissible as evidence and shall eliminate any

liability for payment of any medical-legal expense incurred in connection with the report.

(f) Knowing failure to comply with the requirements of this section shall subject the physician to a civil penalty of up to one thousand dollars ($1,000) for each violation to be assessed by a workers' compensation judge or the appeals board.

(g) A physician who is assessed a civil penalty under this section may be terminated, suspended, or placed on probation as a qualified medical evaluator pursuant to subdivisions (k) and (*l*) of Section 139.2.

(h) Knowing failure to comply with the requirements of this section shall subject the physician to contempt pursuant to the judicial powers vested in the appeals board.

(i) Any person billing for medical-legal evaluations, diagnostic procedures, or diagnostic services performed by persons other than those employed by the reporting physician or physicians, or a medical corporation owned by the reporting physician or physicians shall specify the amount paid or to be paid to those persons for the evaluations, procedures, or services. This subdivision shall not apply to any procedure or service defined or valued pursuant to Section 5307.1.

(j) The report shall contain a declaration by the physician signing the report, under penalty of perjury, stating:

"I declare under penalty of perjury that the information contained in this report and its attachments, if any, is true and correct to the best of my knowledge and belief, except as to information that I have indicated I received from others. As to that information, I declare under penalty of perjury that the information accurately describes the information provided to me and, except as noted herein, that I believe it to be true."

The foregoing declaration shall be dated and signed by the reporting physician and shall indicate the county wherein it was signed.

(k) The physician shall provide a curriculum vitae upon request by a party and include a statement concerning the percent of the physician's total practice time that is annually devoted to medical treatment.

SEC. 6. Section 4906 of the Labor Code is amended to read:

4906. (a) No charge, claim, or agreement for the legal services or disbursements mentioned in subdivision (a) of Section 4903, or for the expense mentioned in subdivision (b) of Section 4903, is enforceable, valid, or binding in excess of a reasonable amount. The appeals board may determine what constitutes a reasonable amount.

(b) No attorney or agent shall demand or accept any fee from an employee or dependent of an employee for the purpose of representing the employee or dependent of an employee in any proceeding of the division, appeals board, or any appellate procedure related thereto until the amount of the fee has been approved or set by the appeals board.

(c) Any fee agreement shall be submitted to the appeals board for approval within 10 days after the agreement is made.

(d) In establishing a reasonable attorney's fee, consideration shall be given to the responsibility assumed by the attorney, the care exercised in representing the applicant, the time involved, and the results obtained.

(e) At the initial consultation, an attorney shall furnish the employee a written disclosure form promulgated by the administrative director which shall clearly and prominently describe the procedures available to the injured employee or his or her dependents. The disclosure form shall describe this section, the range of attorney's fees customarily approved by the appeals board, and the attorney's fees provisions of Section 4064 and the extent to which an employee may receive compensation without incurring attorney's fees. The disclosure form shall include the telephone number of the Office of Benefit Assistance and Enforcement together with the statement that the employee may receive answers at that number to questions concerning entitlement to compensation or the procedures to follow to receive compensation. A copy of the disclosure form shall be signed by the employee and the attorney and sent to the employer, or insurer or third-party administrator, if either is known, by the attorney within 15 days of the employee's and attorney's execution thereof.

(f) The disclosure form set forth in subdivision (e) shall contain, prominently stated, the following statement:

"Any person who makes or causes to be made any knowingly false or fraudulent material statement or representation for the purpose of obtaining or denying worker's compensation benefits or payments is guilty of a felony."

(g) The employee, the insurer, the employer, and the attorneys for each party shall sign and file with the board a statement, with the application or answer, under penalty of perjury that they have not violated Section 139.3 and that they have not offered, delivered, received, or accepted any rebate, refund, commission, preference, patronage dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for any referred examination or evaluation.

SEC. 7. Section 5703 of the Labor Code is amended to read:

5703. The appeals board may receive as evidence either at or subsequent to a hearing, and use as proof of any fact in dispute, the following matters, in addition to sworn testimony presented in open hearing:

(a) Reports of attending or examining physicians.

(1) Statements concerning any bill for services are admissible only if made under penalty of perjury that they are true and correct to the best knowledge of the physician.

(2) In addition, reports are admissible under this subdivision only if the physician has further stated in the body of the report that there has not been a violation of Section 139.3 and that the contents of the

report are true and correct to the best knowledge of the physician. The statement shall be made under penalty of perjury.

(b) Reports of special investigators appointed by the appeals board or a workers' compensation judge to investigate and report upon any scientific or medical question.

(c) Reports of employers, containing copies of timesheets, book accounts, reports, and other records properly authenticated.

(d) Properly authenticated copies of hospital records of the case of the injured employee.

(e) All publications of the Division of Industrial Accidents.

(f) All official publications of state and United States governments.

(g) Excerpts from expert testimony received by the appeals board upon similar issues of scientific fact in other cases and the prior decisions of the appeals board upon similar issues.

SEC. 8. Section 550 of the Penal Code is amended to read:

550. (a) It is unlawful to do any of the following:

(1) Knowingly present or cause to be presented any false or fraudulent claim for the payment of a loss, including payment of a loss under a contract of insurance.

(2) Knowingly present multiple claims for the same loss or injury, including presentation of multiple claims to more than one insurer, with an intent to defraud.

(3) Knowingly cause or participate in a vehicular collision, or any other vehicular accident, for the purpose of presenting any false or fraudulent claim.

(4) Knowingly present a false or fraudulent claim for the payments of a loss for theft, destruction, damage, or conversion of a motor vehicle, a motor vehicle part, or contents of a motor vehicle.

(5) Knowingly prepare, make, or subscribe any writing, with the intent to present or use it, or to allow it to be presented in support of any false or fraudulent claim.

(6) Knowingly assist, abet, solicit, or conspire with (A) any person who knowingly presents any false or fraudulent claim for the payment of a loss, including payment of a loss under a contract of insurance; (B) any person who knowingly presents multiple claims for the same loss or injury, including presentation of multiple claims to more than one insurer, with an intent to defraud; (C) any person who knowingly causes or participates in a vehicular collision, or any other vehicular accident, for the purpose of presenting any false or fraudulent claim; and (D) any person who knowingly prepares, makes, or subscribes any writing, with the intent to present or use it, or to allow it to be presented in support on any claim.

(7) Knowingly make or cause to be made any false or fraudulent claim for payment of a health care benefit.

(8) Knowingly submit a claim for a health care benefit which was not used by, or on behalf of, the claimant.

(9) Knowingly present multiple claims for payment of the same health care benefit with an intent to defraud.

(10) Knowingly present for payment any undercharges for health care benefits on behalf of a specific claimant unless any known overcharges for health care benefits for that claimant are presented for reconciliation at that same time.

(11) For purposes of paragraphs (7) to (10), inclusive, a claim or a claim for payment of a health care benefit also means a claim or claim for payment submitted by or on the behalf of a provider of any workers' compensation health benefits under the Labor Code.

(b) (1) Every person who violates paragraph (1), (2), (3), (4), (5), or (6) of subdivision (a) is punishable by imprisonment in the state prison for two, three, or five years, or by a fine not exceeding fifty thousand dollars ($50,000), or by both that imprisonment and fine, unless the value of the fraud is fifty thousand dollars ($50,000) or more. Whenever the value of the fraud is fifty thousand dollars ($50,000) or more, the fine may be double the amount of the value of the fraud. Except in the interest of justice, a person placed on probation for violating any provision of this section shall be required by the court to perform some community service, specifically, the removal of graffiti.

(2) Every person who violates paragraph (7), (8), (9), or (10) of subdivision (a) is guilty of a public offense.

(A) Where the claim or amount at issue exceeds four hundred dollars ($400), the offense is punishable by imprisonment in the state prison for two, three, or five years, by a fine not exceeding fifty thousand dollars ($50,000), or by both that imprisonment and fine, unless the value of the fraud exceeds fifty thousand dollars ($50,000), in which event the fine may not exceed the value of the fraud, or by imprisonment in a county jail not to exceed one year, by a fine of not more than one thousand dollars ($1,000), or by both that imprisonment and fine.

(B) Where the claim or amount at issue is four hundred dollars ($400) or less, the offense is punishable by imprisonment in a county jail not to exceed six months, by a fine of not more than one thousand dollars ($1,000), or by both that imprisonment and fine unless the aggregate amount of the claims or amount at issue exceeds four hundred dollars ($400) in any 12 consecutive month period, in which case the claims or amounts may be charged as in subparagraph (A).

(c) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of a sentence be suspended for, any adult person convicted of felony violations of this section who previously has been convicted of felony violations of this section as an adult under charges separately brought and tried two or more times. The existence of any fact which would make a person ineligible for probation under this subdivision shall be alleged in the information or indictment, and either admitted by the defendant in an open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury.

Except where the existence of the fact was not admitted or found to be true or the court finds that a prior felony conviction was invalid, the court shall not strike or dismiss any prior felony convictions alleged in the information or indictment.

This subdivision shall not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) of, or Division 6 (commencing with Section 6000) of, the Welfare and Institutions Code.

(d) Any person who violates subdivision (a) and who has a prior felony conviction of the offense set forth in that subdivision or in Section 548 shall receive a two-year enhancement for each prior felony conviction in addition to the sentence provided in subdivision (b). The existence of any fact which would subject a person to a penalty enhancement shall be alleged in the information or indictment 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 plea of guilty or nolo contendere or by trial by the court sitting without a jury.

(e) This section shall not be construed to preclude the applicability of any other provision of criminal law that applies or may apply to any transaction.

SEC. 9. Section 1191.10 is added to the Penal Code, to read:

1191.10. The definition of the term "victim" as used in Section 1191.1 includes any insurer or employer who was the victim of workers' compensation fraud for the crimes specified in Section 549 of this code, Sections 2314 and 6152 of the Business and Professions Code, Sections 1871.4, 11760, and 11880 of the Insurance Code, and Section 3215 of the Labor Code.

SEC. 10. Section 2714 of the Unemployment Insurance Code is amended to read:

2714. (a) All medical records of the department obtained under this part, except to the extent necessary for the proper administration of this part, for subdivision (t) of Section 1095, or as provided herein, or to the extent necessary for the proper administration of public social services pursuant to the Welfare and Institutions Code, shall be confidential and shall not be published or be open to public inspection in any manner revealing the identity of the claimant, or the nature or cause of his or her disability. These records are not admissible in evidence in any action or special proceeding other than one arising under this division or one arising under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code to determine entitlement to, and directly connected with and limited to the administration of, public social services. The department may reveal its records to the Director of Social Services or his or her representatives, and may reveal the identity only of the claimant to the Department of Rehabilitation, but the information shall remain confidential and shall not be disclosed except as provided herein.

(b) The department shall, to the extent permitted by federal law

and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records, provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code and designated by the head of the law enforcement agency and who requests this information in the course of and a part of an investigation into the commission of a crime where there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs him or her, for filing under normal procedures of that agency. Any officer or employee of the department who discloses information in violation of this subdivision is guilty of a misdemeanor. Any person who obtains information in violation of this subdivision is guilty of a misdemeanor.

(c) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(d) This section shall not be construed to authorize the release of a general list identifying individuals applying for or receiving benefits to any law enforcement agency.

(e) The department shall maintain records pursuant to this section only for periods required under regulations or statutes enacted for the administration of its programs.

(f) This section shall become operative on January 1, 1988.

SEC. 11. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 12. This act shall become operative only if Assembly Bills 110 and 119 and Senate Bills 484 and 983 of the 1993–1994 Regular Session are all enacted and become effective on or before January 1, 1994.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or 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 changes to California's workers' compensation system that are needed to provide immediate relief to California businesses and workers, it is necessary for this act to take effect immediately.

CHAPTER 121

An act to amend Sections 675, 11751.35, and 11752.6 of, to amend and repeal Section 11738.5 of, to add Sections 676.8, 11721, 11732.02, 11752.8, and 11759.1 to, to add and repeal Sections 11732.01 and 11737.5 of, and to repeal Section 11745 of, the Insurance Code, and to amend Sections 27, 62.5, 110, 139.2, 139.5, 139.6, 3700, 3702.10, 3761, 4061, 4062, 4064, 4453, 4600, 4621, 4635, 4636, 4638, 4642, 4644, 4645, 4659, 4660, 4702, 5275, 5307.1, 5307.6, 5401, 5401.7, 5500, 5502, 5710, 5811, 6354, and 6355 of, to add Sections 62.7, 138.6, 139.05, 139.31, 3208.4, 3762, 4060, 4061.5, 4062.9, 4065, 4068, 4600.3, 4600.5, 4614, 4614.1, 4635.1, 4635.2, 5404.5, 5813, and 6357 to, to add Part 3.2 (commencing with Section 5150) to Division 4 of, to repeal Sections 5401.5, and 5401.6 of, and to repeal and add Sections 139.3 and 6314.1 of, the Labor Code, relating to workers' compensation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. Section 675 of the Insurance Code is amended to read:

675. Except as provided in Sections 676.8 and 679.6, this chapter shall apply to policies of insurance, other than automobile insurance and workers' compensation insurance, on risks located or resident in this state which are issued and take effect or which are renewed after the effective date of this chapter and insuring any of the following contingencies:

(a) Loss of or damage to real property which is used predominantly for residential purposes and which consists of not more than four dwelling units.

(b) Loss of or damage to personal property in which natural persons resident in specifically described real property of the kind described in subdivision (a) have an insurable interest, except personal property used in the conduct of a commercial or industrial enterprise.

(c) Legal liability of a natural person or persons for loss of, damage to, or injury to, persons or property, but not including policies

primarily insuring risks arising from the conduct of a commercial or industrial enterprise.

This chapter shall not be construed so as to modify or negate any of the provisions of Chapter 3 (commencing with Section 330) of Part 1 of Division 1, nor to destroy any rights or remedies therein provided.

SEC. 2. Section 676.8 is added to the Insurance Code, to read:

676.8. (a) This section applies only to policies of workers' compensation insurance.

(b) After a policy is in effect, no notice of cancellation shall be effective unless it complies with the notice requirements of this section and is based upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) The policyholder's failure to make any payment when due.

(2) The policyholder's failure to report payroll or to permit the insurer to audit payroll as required by the terms of the policy.

(3) The policyholder's material failure to comply with federal or state safety orders or written recommendations of the insurer's designated loss control representative.

(4) A material change in ownership or any change in the policyholder's business or operations that materially increases the hazard for frequency or severity of loss, requires additional or different occupational classifications for premium calculations, or contemplates an activity excluded by the insurer's reinsurance treaties.

(5) Material misrepresentation by the policyholder or its agent.

(6) Failure to cooperate with the insurer in the insurer's investigation of a claim.

(c) A policy shall not be canceled for the conditions specified in paragraph (1), (2), (5), or (6) of subdivision (b) except upon 10 days' written notice to the policyholder by the insurer. A policy shall not be canceled for the conditions specified in paragraph (3) or (4) of subdivision (b) except upon 30 days' written notice to the policyholder by the insurer. If the policyholder remedies the condition to the insurer's satisfaction within the specified time period, the policy shall not be canceled by the insurer.

(d) Nothing in this section shall preclude, while policies are in force, changes in the premium rate required or authorized by law, regulation, or order of the commissioner, or otherwise agreed to between the policyholder and insurer.

SEC. 3. Section 11721 is added to the Insurance Code, to read:

11721. (a) Any insurer desiring to write workers' compensation insurance shall maintain or provide occupational safety and health loss control consultation services certified by the Director of Industrial Relations. The director may fix and collect fees to recover the costs for certifying the loss control consultation services. All fees shall be deposited in the Cal-OSHA Targeted Inspection and Consultation Fund as defined in Section 62.7 of the Labor Code. The insurer may employ qualified personnel to provide these services or

provide the services through another entity that has been certified by the commissioner.

(b) The program of an insurer for furnishing loss control consultation services shall be adequate to meet minimum standards prescribed by the director. The services shall include the conduct of workplace surveys to identify health and safety problems, review of employer injury records with appropriate personnel, and development of plans to improve employer health and safety loss records, including injury and prevention programs required pursuant to Section 6401.7 of the Labor Code. At the time that an insurance policy is issued and annually thereafter, the insurer shall provide each insured employer with a written description of the consultation services together with a notice that the services are available at no additional charge to the employer.

(c) The insurer shall not charge any fee in addition to the insurance premium for safety and health loss control consultation services.

(d) Each insurer shall submit to the director, in a form prescribed by the director, an annual health and safety loss control plan for targeting employers with the greatest workers' compensation losses and the most significant and preventable health and safety hazards. The plan shall include a budget and identify the insurer's methodology for selecting the employers and the number, type, and size of employers who will be targeted. The plan shall be accompanied by a description of the insurer's safety and health loss control activities for the prior year, including, but not limited to, costs, the number, type, and size of businesses served, and any additional information required by the director. The information provided to the director under this subdivision shall remain confidential except for aggregate statistical data. The director shall develop guidelines to assist insurers to identify the employers with the highest preventable health and safety hazards.

(e) Nothing in this section shall be construed to require insurers to provide loss control services to places of employment that do not pose significant preventable hazards to workers.

SEC. 4. Section 11732.01 is added to the Insurance Code, to read:

11732.01. Unless the commissioner approves or issues a premium rate pursuant to subdivision (b), on the effective date of this section the premium rates relating to California workers' compensation insurance shall be reduced 7 percent from the premium rates in effect on July 1, 1993.

(b) The commissioner may approve or issue a premium rate that is less than the rate that would otherwise be in effect by operation of subdivision (a), provided that the rate is adequate and that the rate shall fully take into account the reduction required by subdivision (a).

(c) The commissioner may not approve or issue a premium rate that is greater than the rate allowed by subdivision (a).

(d) This section shall remain in effect only until January 1, 1995,

and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date, or Senate Bill 30 of the 1993–94 Regular Session has not been enacted.

(e) If Senate Bill 30 of the 1993–94 Regular Session is not enacted, the commissioner may not approve or issue a premium rate that is greater than the rate allowed by subdivisions (a) and (b) unless a later enacted statute amends this article and this section.

SEC. 5. Section 11732.02 is added to the Insurance Code, to read:

11732.02. In approving or issuing premium rates under this article, the commissioner shall consider the reduction in workers' compensation costs arising from changes in the law enacted during the 1993 portion of the 1993–94 Regular Session, and thereafter.

SEC. 5.5. Section 11737.5 is added to the Insurance Code, to read:

11737.5. (a) An insurer shall not use any plan or methodology for the imposition of surcharges or reserves that is unfairly discriminatory.

(b) An insurer shall annually report to the commissioner all income sources from reserves, and the amount of income.

(c) An insurer shall annually report to the commissioner all surcharge plans and methodologies.

(d) This section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date, or Senate Bill 30 of the 1993–94 Regular Session has not been enacted.

SEC. 6. Section 11738.5 of the Insurance Code is amended to read:

11738.5. (a) An insurer shall not use any plan for the payment of dividends to policyholders by reason of a participating provision in a workers' compensation insurance policy which is unfairly discriminatory.

(b) Every insurer issuing workers' compensation insurance policies under the laws of this state shall file annually with the commissioner information relating to dividend payments made to its policyholders. Information filed shall be in sufficient detail to permit the commissioner to prepare a report showing for all companies premiums earned, losses incurred, and dividends paid the preceding calendar year under policies containing a participating provision, separately by premium size and loss ratio categories, as may reasonably be prescribed by the commissioner.

(c) Information submitted by individual companies pursuant to this section shall be subject to public disclosure.

(d) The commissioner shall publish an annual report describing the dividend payments made by insurers issuing workers' compensation insurance policies under the laws of this state during the preceding year.

(e) This section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date, or Senate Bill 30 of the 1993–94 Regular Session has not been enacted.

SEC. 7. Section 11745 of the Insurance Code is repealed.

SEC. 8. Section 11751.35 of the Insurance Code is amended to read:

11751.35. (a) Four members of the public, two representing organized labor and two representing insured employers, appointed pursuant to subdivision (b) of Section 11751.3, shall be entitled to serve on the managing or governing committee of a rating organization licensed under this article. The public members shall be entitled to vote on all issues involving rates, classifications, rating plans, rating systems, manual rules and policy, and endorsement forms which are properly brought before the committee.

(b) In the event one or more public members are unable or unwilling to complete their term, after consultation with the California Labor Federation, AFL-CIO, other statewide organized labor organizations, and statewide organizations representing business, as the case may be, the commissioner shall appoint a successor from organized labor or an insured employer to complete the unexpired term.

(c) The public members who serve on the governing committee of a rating organization licensed under this article together may, by a majority vote, retain experts who shall include a fellow of the Casualty Actuarial Society, to advise them on any matter specified in subdivision (a). The actuary hired may participate in all proceedings of the actuarial committee of the rating organization. The reasonable expense of retaining these experts shall not exceed one hundred thousand dollars ($100,000) per year and shall be paid from the budget of the department. The commissioner shall increase this amount annually to reflect any needed cost-of-living adjustments. The public members may submit information obtained from these experts, as well as any other information they deem appropriate, to the commissioner for his or her consideration in issuing or approving a change of a classification or system.

(d) In addition to the expenses authorized pursuant to subdivision (c), the public members who serve on the governing committee of a rating organization licensed under this article may expend up to an additional one hundred thousand dollars ($100,000) per year, which shall be paid by insurer members of the rating organization. Those funds shall be used to retain staff, who shall be hired by a majority vote of the public members.

SEC. 9. Section 11752.6 of the Insurance Code is amended to read:

11752.6. (a) A licensed rating organization shall make available, in writing, to an employer insured under a workers' compensation policy, all policyholder information contained in its records upon request of the employer and after notice to the employer's insurer.

(b) As used in this section, "policyholder information" means all information relating to the employer's loss experience, claims, classification assignments, and policy contracts, and includes information relating to rating plans, rating systems, manual rules,

and any other information that impact the policyholder's pure premium rates.

(c) If the licensed rating organization rejects an employer's request for that information, the rating organization shall notify the employer in writing as to the reasons for the rejection. An employer whose request for that information has been rejected in whole or in part may appeal to the commissioner in accordance with Section 11753.1. If the commissioner finds that the reasons for the rejection are not justified, he or she may order the rating organization to furnish that information to the employer.

(d) No licensed rating organization or member thereof, or member of a committee of a licensed rating organization when acting in its capacity as a member of the committee, or officer or employee of a licensed rating organization, when acting within the scope of his or her employment, shall be liable to any person for injury, personal or otherwise, or damages caused or alleged to have been caused, either directly or indirectly, by the disclosure of information to an employer pursuant to this section or for the accuracy or completeness of the information so disclosed.

(e) This section shall not be construed as implying the existence of liability in circumstances not defined in this section, nor does it imply a legislative recognition that, except for enactment of this section, a liability has existed or would exist in the circumstances stated in this section.

(f) This section shall not be construed as limiting any authority of a licensed rating organization to disclose information contained in its records to others.

(g) There shall be established in all licensed rating organizations a policyholder ombudsman. The policyholder ombudsman shall be a person with sufficient knowledge of the workers' compensation ratemaking process to provide information and assistance to policyholders in obtaining and evaluating the information provided in this section. Every rating organization licensed in this state shall provide staff and other necessary resources to allow the ombudsman to provide prompt and complete service to workers' compensation policyholders of this state. The policyholder ombudsman may represent the policyholder in any dispute with insurers or on appeal to the commissioner as provided in this section.

(h) For all policies of insurance issued or renewed on or after January 1, 1994, the insurer shall advise the policyholder in writing of the following:

(1) The policyholder's right to request a written report containing the information set forth in this section from the licensed rating organization of which the insurer is a member and a statement that the policyholder may contact the policyholder ombudsman to assist in obtaining and evaluating that information, together with the telephone number and address of the ombudsman.

(2) If a participating policy, that upon payment or nonpayment of a dividend the policyholder shall be provided a written explanation,

in clear and understandable language, setting forth the basis of the calculation and expressing any dividend in both dollar amount and as a percentage of earned premium under the policy.

(3) The date when the insurer is required to file the first unit statistical report with the licensed rating organization designated by the commissioner.

SEC. 10. Section 11752.8 is added to the Insurance Code, to read:

11752.8. (a) For all policies of insurance issued, or renewed for the first time on or after January 1, 1995, the insurer shall provide a notice, approved by the commissioner, to the policyholder, explaining in easily understandable language the workers' compensation rating laws. For policies issued or renewed between January 1, 1995, and January 1, 1996, inclusive, this notification shall also include a summary of the changes in the rating laws enacted during the 1993–94 Regular Session of the Legislature.

(b) The notice required by this section may be combined with the notice required by subdivision (h) of Section 11752.6.

SEC. 11. Section 11759.1 is added to the Insurance Code, to read:

11759.1. Every rating organization shall, no later than March 1 of each year, notify the Governor and the Legislature that a report containing an analysis of all losses and expenses for the prior year by all insurers who are members of the organization is available on request. The first report shall be due March 1, 1996. The report shall include, but not be limited to, the following:

(a) An analysis of all medical costs identifying separately the amounts paid for medical treatment to hospitals and physicians, and the amounts paid for medical-legal expenses. The amounts paid for medical treatment to physicians shall also identify the amounts paid for each specialty authorized to provide medical services pursuant to Sections 3209.3, 3209.5, and 3209.8 of the Labor Code. The amounts paid for medical-legal evaluations shall also be subcategorized by specialty and shall identify average costs paid per claim.

(b) An analysis of indemnity benefits paid for temporary disability, permanent total disability, permanent partial disability, life pensions, death benefits, and funeral expenses. The permanent partial disability benefits also shall be reported according to the degree of impairment in the following categories: .25 to 24.75 percent, 25 to 69.75 percent, and 70 to 99.75 percent.

(c) An analysis of amounts paid for vocational rehabilitation subcategorized by amounts paid for maintenance allowance, evaluation, education and training, and job placement.

(d) An analysis of expenses of insurers categorized by loss adjustment, acquisition, general expenses, profit, and taxes. Amounts spent for defense attorneys shall be separately identified for both in-house and outside counsel.

(e) An analysis of attorney's fees paid to applicant attorneys.

(f) An analysis of workers' compensation costs by the type of injury or illness generally following the injury classification in the Supplemental Data System used by the Department of Industrial

Relations in its annual report on California work injuries and illnesses.

SEC. 12. Section 27 of the Labor Code is amended to read:

27. Whenever the term "workers' compensation judge" is used in this code in connection with the workers' compensation law, the term shall mean "workers' compensation referee." This section shall not apply to settlement conference referees hired to conduct the settlement conferences required by subdivision (d) of Section 5502.

SEC. 13. Section 62.5 of the Labor Code is amended to read:

62.5. (a) The Workers' Compensation Administration Revolving Fund is hereby created as a special account in the State Treasury. Proceeds of the fund may be expended by the department, upon appropriation by the Legislature, for the administration of the workers' compensation program set forth in this division and Division 4 (commencing with Section 3200), other than the activities financed pursuant to Section 3702.5, and shall not be used for any other purpose.

(b) The fund shall consist of money from the General Fund appropriated for these purposes, and assessments made pursuant to this section. Costs of the program shall be shared on a proportional basis between the General Fund and employer assessments. The General Fund appropriation shall account for 80 percent, and employer assessments shall account for 20 percent, of the total costs of the program. For the 1993–94 fiscal year, however, the aggregate amount of employer assessments shall not be less than the amount assessed for the 1991–92 fiscal year, and that amount shall be available for expenditure in the 1993–94 fiscal year, notwithstanding any reduction in the amount appropriated from the General Fund.

(c) Assessments shall be levied by the director upon all employers as defined in Section 3300. The total amount of the assessment shall be allocated between self-insured employers and insured employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall promulgate reasonable rules and regulations governing the manner of collection of the assessment. The rules shall require the assessment to be paid by self-insurers to be expressed as a percentage of indemnity paid during the most recent year for which information is available, and the assessment to be paid by insured employers expressed as a percentage of premium. In no event shall the assessment paid by insured employers be considered a premium for computation of a gross premium tax or agents' commission.

(d) This section shall become operative on July 1, 1991.

(e) 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. 14. Section 62.7 is added to the Labor Code, to read:

62.7. (a) The Cal-OSHA Targeted Inspection and Consultation Fund is hereby created as a special account in the State Treasury. Proceeds of the fund may be expended by the department, upon

appropriation by the Legislature, for the Cal-OSHA targeted inspection program as provided in Section 6314.1, the Cal-OSHA targeted consultation program as provided in subdivision (a) of Section 6354, and certifying loss control consultation services of workers' compensation insurers pursuant to Section 11745 of the Insurance Code.

(b) The fund shall consist of any money from the General Fund or Federal Trust Fund appropriated for these purposes, assessments made pursuant to this section, and fees collected pursuant to Section 11721 of the Insurance Code.

(c) Assessments shall be levied by the director only on all insured employers with a workers' compensation insurance experience rating modification of 1.25 or more and private self-insured employers with an equivalent experience rating of 1.25 or more. The director shall promulgate reasonable rules and regulations governing the manner of collection of the assessment and to determine the equivalent experience rating of 1.25 or more for self-insured employers. The rules shall require the assessment to be paid by employers expressed as a percentage of premium. In no event shall the assessment paid by insured employers be considered a premium for computation of a gross premium tax or agents' commissions. This assessment shall not be continued after the employer's experience modification or equivalent experience modification drops below 1.25.

(d) Amounts assessed pursuant to this section shall not exceed 50 percent of the amounts appropriated from the General Fund for the support of the occupational safety and health program in 1993–94 adjusted for inflation.

SEC. 15. Section 110 of the Labor Code is amended to read:

110. As used in this chapter:

(a) "Appeals board" means the Workers' Compensation Appeals Board. The title of a member of the board is "commissioner."

(b) "Administrative director" means the Administrative Director of the Division of Workers' Compensation.

(c) "Division" means the Division of Workers' Compensation.

(d) "Medical director" means the physician appointed by the Industrial Medical Council pursuant to Section 122.

(e) "Qualified medical evaluator" means physicians appointed by the Industrial Medical Council pursuant to Section 139.2.

SEC. 16. Section 138.6 is added to the Labor Code, to read:

138.6. The administrative director, in consultation with the Insurance Commissioner and the Workers' Compensation Insurance Rating Bureau, shall develop a workers' compensation information system to do the following:

(a) Assist the department to manage the workers' compensation system in an effective and efficient manner.

(b) Facilitate the evaluation of the efficiency and effectiveness of the benefit delivery system.

(c) Measure how adequately the system indemnifies injured

workers and their dependents.

(d) Provide statistical data for research into specific aspects of the workers' compensation program.

It is the intent of the Legislature that the information system be compatible with the Electronic Data Interchange System of the International Association of Industrial Accident Boards and Commissions. The director shall issue a report on the development of the system, and recommendations for any necessary legislative action, no later than July 1, 1995, and shall, upon request, make the report available to the Governor, the Legislature, and the public.

SEC. 17. Section 139.05 is added to the Labor Code, to read:

139.05. The Industrial Medical Council shall conduct a study of the technical feasibility of requiring objective medical findings for soft tissue injuries. The council shall prepare a report with its findings and submit it to the Legislature by January 1, 1995.

SEC. 18. Section 139.2 of the Labor Code is amended to read:

139.2. (a) The Industrial Medical Council shall appoint qualified medical evaluators in each of the respective specialties as required for the evaluation of medical issues. The appointments shall be for two-year terms.

(b) The council shall appoint as qualified medical evaluators physicians, as defined in Section 3209.3, who are licensed to practice in this state and who demonstrate that they meet each of the following requirements:

(1) Pass an examination written and administered by the Industrial Medical Council for the purpose of demonstrating competence in evaluating medical issues in the workers' compensation system. The council shall administer the first examination on or before July 1, 1994.

(2) Devote at least one-third of total practice time to providing direct medical treatment, or has served as an agreed medical evaluator on eight or more occasions in the 12 months prior to applying to be a qualified medical evaluator.

(3) Meet one of the following requirements:

(A) Is board certified, or board eligible, within a time period specified by the council, in his or her specialty by an appropriate board recognized by the council or, if a chiropractor, is certified in California workers' compensation evaluation by an appropriate California professional chiropractic association or accredited California college recognized by the council, or, if a psychologist, meets one of the following requirements:

(i) Is board certified in clinical psychology by a board recognized by the council.

(ii) Holds a doctoral degree in psychology from a university or professional school recognized by the council and has not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders.

(iii) Has not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders, and has

served as an agreed medical evaluator on eight or more occasions prior to January 1, 1990.

(B) Served as an agreed medical evaluator on eight or more occasions prior to January 1, 1970.

(4) Does not have a conflict of interest as determined under the regulations promulgated by the administrative director pursuant to subdivision (o).

(5) Meets any additional medical or professional standards adopted pursuant to paragraph (6) of subdivision (j).

(c) The council shall promulgate standards for appointment of physicians who are retired or who hold teaching positions who are exceptionally well qualified to serve as a qualified medical evaluator even though they do not otherwise qualify under paragraph (1) of subdivision (b). In no event shall a physician whose full-time practice is limited to the forensic evaluation of disability be appointed as a qualified medical evaluator under this subdivision.

(d) The qualified medical evaluator, upon request, shall be reappointed if he or she meets the qualifications for appointment and meets all of the following criteria:

(1) Has completed all medical evaluations within a reasonable time after assignment.

(2) Has not had more than five of his or her evaluations which were considered by a workers' compensation judge at a contested hearing rejected by the judge pursuant to this section during the most recent two-year period during which the physician served as a qualified medical evaluator. If the judge rejects the qualified medical evaluator's report on the basis that it fails to meet the minimum standards for those reports established by the Industrial Medical Council or the appeals board, the judge shall make a specific finding to that effect, and shall give notice to the medical evaluator and to the Industrial Medical Council.

(3) Has completed within the previous 48 months at least 24 hours of continuing education in impairment evaluation or workers' compensation-related medical dispute evaluation approved by the Industrial Medical Council.

(4) Has not been terminated, suspended, placed on probation, or otherwise disciplined by the council during his or her most recent term as a qualified medical evaluator.

If the evaluator does not meet any one of these criteria, the Industrial Medical Council may in its discretion reappoint or deny reappointment according to regulations promulgated by the council. In no event may a physician who does not currently meet the requirements for initial appointment or who has been terminated under subdivision (e) be reappointed.

(e) Except as provided in subdivision (k), the evaluator shall not be terminated during his or her term of office unless his or her licensing authority has suspended, revoked, or terminated his or her license to practice in California.

(f) The Industrial Medical Council shall furnish a physician, upon

request, a written statement of its reasons for termination of or for denying appointment or reappointment as a qualified medical evaluator. Upon receipt of a specific response to the statement of reasons, the Industrial Medical Council shall review its decision not to appoint or reappoint the physician or to terminate the physician and shall notify the physician of its final decision within 60 days after receipt of the physician's response.

(g) The council shall establish agreements with qualified medical evaluators to assure the expeditious evaluation of cases assigned to them for comprehensive medical evaluations.

(h) When the injured worker is not represented by an attorney, the medical director appointed pursuant to Section 122, shall assign three-member panels of qualified medical evaluators within five working days after receiving a request for a panel. If a panel is not assigned within 15 working days, the employee shall have the right to obtain a medical evaluation from any qualified medical evaluator of his or her choice. The medical director shall use a random selection method for assigning panels of qualified medical evaluators. The medical director shall select evaluators who are specialists of the type selected by the employee. The medical director shall advise the employee that he or she should consult with his or her treating physician prior to deciding which type of specialist to request. The Industrial Medical Council shall promulgate a form which shall notify the employee of the physicians selected for his or her panel. The form shall include, for each physician on the panel, the physician's name, address, telephone number, specialty, number of years in practice, and a brief description of his or her education and training, and shall advise the employee that he or she is entitled to receive transportation expenses and temporary disability for each day necessary for the examination. The form shall also state in a clear and conspicuous location and type: "You have the right to consult with an information and assistance officer at no cost to you prior to selecting the doctor to prepare your evaluation, or you may consult with an attorney. If your claim eventually goes to court, the judge will consider the evaluation prepared by the doctor you select to decide your claim." When compiling the list of evaluators from which to select randomly, the medical director shall include all qualified medical evaluators who do not have a conflict of interest in the case, as defined by regulations adopted pursuant to subdivision (o) of the appropriate specialty type as recognized by an appropriate, recognized board within the general geographic area of the employee's residence, and shall have no authority to exclude qualified medical evaluators based on any other criteria. When the medical director determines that an employee has requested an evaluation by a type of specialist which is appropriate for the employee's injury, but there are not enough qualified medical evaluators of that type within the general geographic area of the employee's residence to establish a three-member panel, the medical director shall include sufficient qualified medical evaluators

from other geographic areas and the employer shall pay all necessary travel costs incurred in the event the employee selects an evaluator from another geographic area.

(i) The medical director appointed pursuant to Section 122, shall continuously review the quality of comprehensive medical evaluations and reports prepared by agreed and qualified medical evaluators and the timeliness with which evaluation reports are prepared and submitted. The review shall include, but not be limited to, a review of a random sample of reports submitted to the division, and a review of all reports alleged to be inaccurate or incomplete by a party to a case for which the evaluation was prepared. The medical director shall submit to the administrative director an annual report summarizing the results of the continuous review of medical evaluations and reports prepared by agreed and qualified medical evaluators and make recommendations for the improvement of the system of medical evaluations and determinations.

(j) After public hearing pursuant to Section 5307.4, the council shall promulgate rules and regulations concerning the following medical issues:

(1) Standards governing the timeframes within which medical evaluations shall be prepared and submitted by agreed and qualified medical evaluators. The timeframe for initial medical evaluations to be prepared and submitted shall be no more than 30 days after the evaluator has seen the employee or otherwise commenced the medical evaluation procedure. The council shall develop a written policy governing the provision of extensions of the 45-day period in cases where the evaluator has not received test results or consulting physician's evaluations in time to meet the 45-day deadline. The council shall develop timeframes governing availability of qualified medical evaluators for unrepresented employees under Section 4061. These timeframes shall give the employee the right to the addition of a new evaluator to his or her panel, selected at random, for each evaluator not available to see the employee within a specified period of time, but shall also permit the employee to waive this right for a specified period of time thereafter.

(2) Procedures to be followed by all physicians in evaluating the existence and extent of permanent impairment and limitations resulting from an injury. In order to produce complete, accurate, uniform, and replicable evaluations, the procedures shall require that an evaluation of anatomical loss, functional loss, and the presence of physical complaints be supported, to the extent feasible, by medical findings based on standardized examinations and testing techniques generally accepted by the medical community.

(3) Procedures governing the determination of any disputed medical issues.

(4) Procedures to be used in determining the compensability of psychiatric injury. The procedures shall be in accordance with Section 3208.3 and shall require that the diagnosis of a mental disorder be expressed using the terminology and criteria of the

American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Third Edition-Revised, or the terminology and diagnostic criteria of other psychiatric diagnostic manuals generally approved and accepted nationally by practitioners in the field of psychiatric medicine.

(5) Guidelines for the range of time normally required to perform the following:

(A) A medical-legal evaluation that has not been defined and valued pursuant to Section 5307.6. However, the council may recommend guidelines for evaluations that have been defined and valued pursuant to Section 5307.6 for the purpose of governing the appointment, reappointment, and discipline of qualified medical evaluators. The guidelines shall establish minimum times for patient contact in the conduct of the evaluations, and shall be consistent with regulations adopted pursuant to Section 5307.6.

(B) Any treatment procedures that have not been defined and valued pursuant to Section 5307.1.

(C) Any other evaluation procedure requested by the administrative director, the Insurance Commissioner, or the council itself.

If, without good cause, the council fails to adopt the guidelines required by subparagraph (A) or (B) by March 31, 1994, or fails, without good cause, to adopt a guideline pursuant to subparagraph (C) within six months after a request by the administrative director or the Insurance Commissioner, then the administrative director shall have the authority to adopt the guideline.

(6) Any additional medical or professional standards which a medical evaluator shall meet as a condition of appointment, reappointment, or maintenance in the status of a medical evaluator.

(k) The Industrial Medical Council may, in its discretion, suspend or terminate the privilege of a physician to serve as a qualified medical evaluator if the council, after hearing pursuant to subdivision (*l*), determines, based on substantial evidence, that a qualified medical evaluator:

(1) Has violated any non-ministerial statutory or administrative duty.

(2) Has failed to follow the medical procedures or qualifications established by the council pursuant to paragraph (2), (3), (4), or (5) of subdivision (j).

(3) Has failed to comply with the timeframe standards established by the council pursuant to subdivision (j).

(4) Has failed to meet the requirements of subdivision (b) or (c).

(5) Has prepared medical-legal evaluations that fail to meet the minimum standards for those reports established by the Industrial Medical Council or the appeals board.

(*l*) The council shall cite the qualified medical evaluator for a violation listed in subdivision (k) and shall set a hearing on the alleged violation within 30 days of service of the citation on the qualified medical evaluator. In addition to the authority to terminate

or suspend the qualified medical evaluator upon finding a violation listed in subdivision (k), the council may, in its discretion, place a qualified medical evaluator on probation subject to appropriate conditions, including ordering continuing education or training. The council shall report to the appropriate licensing board the name of any qualified medical evaluator who is disciplined pursuant to this subdivision.

(m) The council shall terminate from the list of medical evaluators any physician where licensure has been terminated by the relevant licensing board, or who has been convicted of a misdemeanor or felony related to the conduct of his or her medical practice, or of a crime of moral turpitude. The council shall suspend or terminate as a medical evaluator any physician who has been suspended or placed on probation by the relevant licensing board.

(n) Each qualified medical evaluator shall pay a fee, as determined by the Industrial Medical Council, for appointment or reappointment. Any qualified medical evaluator appointed prior to January 1, 1993, shall also pay the same fee as specified herein. These fees shall be based on a sliding scale as established by the council. All revenues from fees paid under this subdivision shall be deposited into the Industrial Medicine Fund, which is hereby created for the administration of the Industrial Medical Council. Moneys paid into the Industrial Medicine Fund for the activities of the Industrial Medical Council shall not be used by any other department or agency or for any purpose other than administration of the council. The funds provided to the council from the Industrial Medicine Fund shall not supplant any funds appropriated to the council from the Workers' Compensation Administration Revolving Fund, the General Fund, or any other governmental source. Any future annual appropriation to the council from the Workers' Compensation Administration Revolving Fund, the General Fund, or any other governmental source shall not be less than the amount appropriated or provided during the 1991–92 fiscal year.

(o) An evaluator may not request or accept any compensation or other thing of value from any source that does or could create a conflict with his or her duties as an evaluator under this code. The administrative director, after consultation with the council and the Commission on Health and Safety and Workers' Compensation, shall adopt regulations to implement this subdivision on or before July 1, 1994.

SEC. 19. Section 139.3 of the Labor Code is repealed.

SEC. 20. Section 139.3 is added to the Labor Code, to read:

139.3. (a) Notwithstanding any other provision of law, to the extent those services are paid pursuant to Division 4 (commencing with Section 3200), it is unlawful for a physician to refer a person for clinical laboratory, diagnostic nuclear medicine, radiation oncology, physical therapy, physical rehabilitation, psychometric testing, home infusion therapy, or diagnostic imaging goods or services whether for treatment or medical-legal purposes if the physician or his or her

immediate family has a financial interest with the person or in the entity that receives the referral.

(b) For purposes of this section and Section 139.31, the following shall apply:

(1) "Diagnostic imaging" includes, but is not limited to, all X-ray, computed axial tomography magnetic resonance imaging, nuclear medicine, positron emission tomography, mammography, and ultrasound goods and services.

(2) "Immediate family" includes the spouse and children of the physician, the parents of the physician, and the spouses of the children of the physician.

(3) "Physician" means a physician as defined in Section 3209.3.

(4) A "financial interest" includes, but is not limited to, any type of ownership, interest, debt, loan, lease, compensation, remuneration, discount, rebate, refund, dividend, distribution, subsidy, or other form of direct or indirect payment, whether in money or otherwise, between a licensee and a person or entity to whom the physician refers a person for a good or service specified in subdivision (a). A financial interest also exists if there is an indirect relationship between a physician and the referral recipient, including, but not limited to, an arrangement whereby a physician has an ownership interest in any entity that leases property to the referral recipient. Any financial interest transferred by a physician to, or otherwise established in, any person or entity for the purpose of avoiding the prohibition of this section shall be deemed a financial interest of the physician.

(5) A "physician's office" is either of the following:

(A) An office of a physician in solo practice.

(B) An office in which the services are performed personally by an appropriately licensed or certified individual who is employed by the physician and under direct or general supervision appropriate to the scope of practice of the appropriately licensed or certified individual.

(6) The "office of a group practice" is an office or offices in which two or more physicians are legally organized as a partnership, professional corporation, or not-for-profit corporation licensed according to subdivision (a) of Section 1204 of the Health and Safety Code for which all of the following are applicable:

(A) Each physician who is a member of the group provides substantially the full range of services that the physician routinely provides, including medical care, consultation, diagnosis, or treatment, through the joint use of shared office space, facilities, equipment, and personnel.

(B) Substantially all of the services of the physicians who are members of the group are provided through the group and are billed in the name of the group and amounts so received are treated as receipts of the group, and except that in the case of multispecialty clinics, as defined in subdivision (*l*) of Section 1206 of the Health and Safety Code, physician services are billed in the name of the

multispecialty clinic and amounts so received are treated as receipts of the multispecialty clinic.

(C) The overhead expenses of, and the income from, the practice are distributed in accordance with methods previously determined by members of the group.

(c) (1) It is unlawful for a licensee to enter into an arrangement or scheme, such as a cross-referral arrangement, that the licensee knows, or should know, has a principal purpose of ensuring referrals by the licensee to a particular entity that, if the licensee directly made referrals to that entity, would be in violation of this section.

(2) It shall be unlawful for a physician to offer, deliver, receive, or accept any rebate, refund, commission, preference, patronage dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for a referred evaluation or consultation.

(d) No claim for payment shall be presented by an entity to any individual, third-party payor, or other entity for a good or service furnished pursuant to a referral prohibited under this section.

(e) A physician who refers to or seeks consultation from an organization in which the physician has a financial interest shall disclose this interest to the patient or if the patient is a minor, to the patient's parents or legal guardian in writing at the time of the referral.

(f) No insurer, self-insurer, or other payor shall pay a charge or lien for any good or service resulting from a referral in violation of this section.

(g) A violation of subdivision (a) shall be a misdemeanor. The appropriate licensing board shall review the facts and circumstances of any conviction pursuant to subdivision (a) and take appropriate disciplinary action if the licensee has committed unprofessional conduct. Violations of this section may also be subject to civil penalties of up to five thousand dollars ($5,000) for each offense, which may be enforced by the Insurance Commissioner, Attorney General, or a district attorney. A violation of subdivision (c), (d), (e), or (f) is a public offense and is punishable upon conviction by a fine not exceeding fifteen thousand dollars ($15,000) for each violation and appropriate disciplinary action, including revocation of professional licensure, by the Medical Board of California or other appropriate governmental agency.

SEC. 21. Section 139.31 is added to the Labor Code, to read:

139.31. The prohibition of Section 139.3 shall not apply to or restrict any of the following:

(a) A physician may refer a patient for a good or service otherwise prohibited by subdivision (a) of Section 139.3 if the physician's regular practice is located outside a metropolitan statistical area and there is no alternative provider of the service within either 25 miles or 40 minutes traveling time, via the shortest route on a paved road. A physician who refers to, or seeks consultation from, an organization in which the physician has a financial interest under this subdivision

shall disclose this interest to the patient or the patient's parents or legal guardian in writing at the time of referral.

(b) A physician who has one or more of the following arrangements with another physician, a person, or an entity, is not prohibited from referring a patient to the physician, person, or entity because of the arrangement:

(1) A loan between a physician and the recipient of the referral, if the loan has commercially reasonable terms, bears interest at the prime rate or a higher rate that does not constitute usury, is adequately secured, and the loan terms are not affected by either party's referral of any person or the volume of services provided by either party.

(2) A lease of space or equipment between a physician and the recipient of the referral, if the lease is written, has commercially reasonable terms, has a fixed periodic rent payment, has a term of one year or more, and the lease payments are not affected by either party's referral of any person or the volume of services provided by either party.

(3) A physician's ownership of corporate investment securities, including shares, bonds, or other debt instruments that were purchased on terms that are available to the general public through a licensed securities exchange or NASDAQ, do not base profit distributions or other transfers of value on the physician's referral of persons to the corporation, do not have a separate class or accounting for any persons or for any physicians who may refer persons to the corporation, and are in a corporation that had, at the end of the corporation's most recent fiscal year, total gross assets exceeding one hundred million dollars ($100,000,000).

(c) (1) A physician may refer a person to a health facility as defined in Section 1250 of the Health and Safety Code, or to any facility owned or leased by a health facility, if the recipient of the referral does not compensate the physician for the patient referral, and any equipment lease arrangement between the physician and the referral recipient complies with the requirements of paragraph (2) of subdivision (b).

(2) Nothing shall preclude this subdivision from applying to a physician solely because the physician has an ownership or leasehold interest in an entire health facility or an entity that owns or leases an entire health facility.

(3) A physician may refer a person to a health facility for any service classified as an emergency under subdivision (a) or (b) of Section 1317.1 of the Health and Safety Code. For nonemergency outpatient diagnostic imaging services performed with equipment for which, when new, has a commercial retail price of four hundred thousand dollars ($400,000) or more, the referring physician shall obtain a service preauthorization from the insurer, or self-insured employer. Any oral authorization shall be memorialized in writing within five business days.

(d) A physician compensated or employed by a university may

refer a person to any facility owned or operated by the university, or for a physician service, to another physician employed by the university, provided that the facility or university does not compensate the referring physician for the patient referral. For nonemergency diagnostic imaging services performed with equipment that, when new, has a commercial retail price of four hundred thousand dollars ($400,000) or more, the referring physician shall obtain a service preauthorization from the insurer or self-insured employer. An oral authorization shall be memorialized in writing within five business days. In the case of a facility which is totally or partially owned by an entity other than the university, but which is staffed by university physicians, such physicians may not refer patients to the facility if the facility compensates the referring physician for such referrals.

(e) The prohibition of Section 139.3 shall not apply to any service for a specific patient that is performed within, or goods that are supplied by, a physician's office, or the office of a group practice. With respect to diagnostic imaging services performed with equipment that, when new, had a commercial retail price of four hundred thousand dollars ($400,000) or more, or for physical therapy services, or for psychometric testing which exceeds the routine screening battery protocols, with a time limit of two to five hours, established by the Industrial Medical Council, the referring physician obtains a service preauthorization from the insurer or self-insured employer. Any oral authorization shall be memorialized in writing within five business days.

(f) The prohibition of Section 139.3 shall not apply where the physician is in a group practice as defined in Section 139.3 and refers a person for services specified in Section 139.3 to a multispecialty clinic, as defined in subdivision (*l*) of Section 1206 of the Health and Safety Code. For diagnostic imaging services performed with equipment that, when new, had a commercial retail price of four hundred thousand dollars ($400,000) or more, or physical therapy services, or psychometric testing which exceeds the routine screening battery protocols, with a time limit of two to five hours, established by the Industrial Medical Council, performed at the multispecialty facility, the referring physician shall obtain a service preauthorization from the insurer or self insured employer. Any oral authorization shall be memorialized in writing within five business days.

(g) The requirement for preauthorization in sections (c), (e), and (f) shall not apply to a patient for which the physician or group accepts payment on a capitated risk basis.

(h) The prohibition of Section 139.3 shall not apply to any facility when used to provide health care services to an enrollee of a health care service plan licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code).

SEC. 22. Section 139.5 of the Labor Code is amended to read:

139.5. (a) The administrative director shall establish within the Office of Benefit Determination a vocational rehabilitation unit, which shall include appropriate professional staff, and which shall have the following duties:

(1) To foster, review, and approve vocational rehabilitation plans developed by a qualified rehabilitation representative of the employer, insurer, state agency, or employee. Plans agreed to by the employer and employee do not require approval by the vocational rehabilitation unit unless the employee is unrepresented.

(2) To develop rules and regulations, to be promulgated by the administrative director, providing for a procedure in which an employee may waive the services of a qualified rehabilitation representative where the employee has been enrolled and made substantial progress toward completion of a degree or certificate from a community college, California State University, or the University of California and desires a plan to complete the degree or certificate. These rules and regulations shall provide that any such waiver as well as any plan developed without the assistance of a qualified rehabilitation representative must be approved by the rehabilitation unit.

(3) To develop rules and regulations, to be promulgated by the administrative director, which would expedite and facilitate the identification, notification and referral of industrially injured employees to vocational rehabilitation services.

(4) To coordinate and enforce the implementation of vocational rehabilitation plans.

(5) To develop a fee schedule, to be promulgated by the administrative director, governing reasonable fees for vocational rehabilitation services provided on and after January 1, 1991. The initial fee schedule promulgated under this paragraph shall be designed to reduce the cost of vocational rehabilitation services by 10 percent from the level of fees paid during 1989. On or before July 1, 1994, the administrative director shall establish the maximum aggregate permissible fees that may be charged for counseling. Those fees shall not exceed four thousand five hundred dollars ($4,500) and shall be included within the sixteen thousand dollar ($16,000) cap. The fee schedule shall establish maximum aggregate permissible fees for evaluation, plan development, and job placement services.

(6) To develop standards, to be promulgated by the administrative director, for governing the timeliness and the quality of vocational rehabilitation services.

(b) The salaries of the personnel of the vocational rehabilitation unit shall be fixed by the Department of Personnel Administration.

(c) When an employee is determined to be medically eligible and chooses to participate in a vocational rehabilitation program, he or she shall continue to receive temporary disability indemnity payments only until his or her medical condition becomes permanent and stationary and, thereafter, may receive a

maintenance allowance. Rehabilitation maintenance allowance payments shall begin after the employee's medical condition becomes permanent and stationary, upon a request for vocational rehabilitation services. Thereafter, the maintenance allowance shall be paid for a period not to exceed 52 weeks in the aggregate, except where the overall cap on vocational rehabilitation services can be exceeded under this section or Section 4642 or subdivision (d) or (e) of Section 4644.

The employee also shall receive additional living expenses necessitated by the vocational rehabilitation services, together with all reasonable and necessary vocational training, at the expense of the employer, but in no event shall the expenses, counseling fees, training, maintenance allowance, and costs associated with, or arising out of, vocational rehabilitation services incurred after the employee's request for vocational rehabilitation services, except temporary disability payments, exceed sixteen thousand dollars ($16,000). The administrative director shall adopt regulations to ensure that the continued receipt of vocational rehabilitation maintenance allowance benefits is dependent upon the injured worker's regular and consistent attendance at, and participation in, his or her vocational rehabilitation training program.

(d) The amount of the maintenance allowance due under subdivision (c) shall be two-thirds of the employee's average weekly earnings at the date of injury payable as follows:

(1) The amount the employee would have received as continuing temporary disability indemnity, but not more than two hundred forty-six dollars ($246) a week for injuries occurring on or after January 1, 1990.

(2) At the employee's option, an additional amount from permanent disability indemnity due or payable, sufficient to provide the employee with a maintenance allowance equal to two-thirds of the employee's average weekly earnings at the date of injury subject to the limits specified in subdivision (a) of Section 4453 and the requirements of Section 4661.5. In no event shall temporary disability indemnity and maintenance allowance be payable concurrently.

If the employer disputes the treating physician's determination of medical eligibility, the employee shall continue to receive that portion of the maintenance allowance payable under paragraph (1) pending final determination of the dispute. If the employee disputes the treating physician's determination of medical eligibility and prevails, the employee shall be entitled to that portion of the maintenance allowance payable under paragraph (1) retroactive to the date of the employee's request for vocational rehabilitation services. These payments shall not be counted against the maximum expenditures for vocational rehabilitation services provided by this section.

(e) No provision of this section nor of any rule, regulation, or vocational rehabilitation plan developed or promulgated under this section nor any benefit provided pursuant to this section shall apply

to an injured employee whose injury occurred prior to January 1, 1975. Nothing in this section shall affect any plan, benefit, or program authorized by this section as added by Chapter 1513 of the Statutes of 1965 or as amended by Chapter 83 of the Statutes of 1972.

(f) The time within which an employee may request vocational rehabilitation services is set forth in Sections 5405.5, 5410, and 5803.

(g) An offer of a job within state service to a state employee in State bargaining unit 1, 4, 15, 18, or 20 at the same or similar salary and the same or similar geographic location is a prima facie offer of vocational rehabilitation under this statute.

(h) It shall be unlawful for a qualified rehabilitation representative or rehabilitation counselor to refer any employee to any work evaluation facility or to any education or training program if the qualified rehabilitation representative or rehabilitation counselor, or a spouse, employer, coemployee, or any party with whom he or she has entered into contract, express or implied, has any proprietary interest in or contractual relationship with the work evaluation facility or education or training program. It shall also be unlawful for any insurer to refer any injured worker to any rehabilitation provider or facility if the insurer has a proprietary interest in the rehabilitation provider or facility or for any insurer to charge against any claim for the expenses of employees of the insurer to provide vocational rehabilitation services unless those expenses are disclosed to the insured and agreed to in advance.

(i) Any charges by an insurer for the activities of an employee who supervises outside vocational rehabilitation services shall not exceed the vocational rehabilitation fee schedule, and shall not be counted against the overall cap for vocational rehabilitation or the limit on counselor's fees provided for in this section. These charges shall be attributed as expenses by the insurer and not losses for purposes of insurance rating pursuant to Article 2 (commencing with Section 11730) of Chapter 3 of Division 2 of the Insurance Code.

SEC. 23. Section 139.6 of the Labor Code is amended to read:

139.6. (a) The administrative director shall establish and effect within the Division of Workers' Compensation a continuing program to provide information and assistance concerning the rights, benefits, and obligations of the workers' compensation law to employees and employers subject thereto. The program shall include, but not be limited to, the following:

(1) The preparation, publishing, and as necessary, updating, of guides to the California workers' compensation system for employees and employers. The guides shall detail, in easily understandable language, the rights and obligations of employees and employers, the procedures for obtaining benefits, and the means provided for resolving disputes. Separate guides may be prepared for employees and employers. The appropriate guide shall be provided to all labor and employer organizations known to the administrative director, and to any other person upon request.

(2) The preparation, publishing, and as necessary, updating, of a

pamphlet advising injured workers of their basic rights under workers' compensation law, and informing them of rights under the Americans with Disabilities Act, and the provisions of the Fair Employment and Housing Act relating to individuals with a disability. The pamphlet shall be written in easily understandable language. The pamphlet shall be available in both English and Spanish, and shall include basic information concerning the circumstances under which injured employees are entitled to the various types of workers' compensation benefits, the protections against discrimination because of an injury, the procedures for resolving any disputes which arise, and the right to seek information and advice from an information and assistance officer or an attorney.

(b) In each district office of the division, the administrative director shall appoint an information and assistance officer, and any other deputy information and assistance officers as the work of the district office may require. The administrative director shall provide office facilities and clerical support appropriate to the functions of these information and assistance officers.

(c) Each information and assistance officer shall be responsible for the performance of the following duties:

(1) Providing continuing information concerning rights, benefits, and obligations under workers' compensation laws to injured workers, employers, lien claimants, and other interested parties.

(2) Upon request by the injured worker, assisting in the prompt resolution of misunderstanding, disputes, and controversies arising out of claims for compensation, without formal proceedings, in order that full and timely compensation benefits shall be furnished. In performing this duty, information and assistance officers shall not be responsible for reviewing applications for adjudication or declarations of readiness to proceed. This function shall be performed by workers' compensation judges. This function may also be performed by settlement conference referees upon delegation by the appeals board.

(3) Distributing any information pamphlets in English and Spanish as are prepared and approved by the administrative director to all inquiring injured workers and any other parties that may request copies of these pamphlets.

(4) Establishing and maintaining liaison with the persons located in the geographic area served by the district office, with other affected state agencies, and with organizations representing employees, employers, insurers, and the medical community.

SEC. 24. Section 3208.4 is added to the Labor Code, to read:

3208.4. In any proceeding under this division involving an injury arising out of alleged conduct that constitutes sexual harassment, sexual assault, or sexual battery, any party seeking discovery concerning sexual conduct of the applicant with any person other than the defendant, whether consensual or nonconsensual or prior or subsequent to the alleged act complained of, shall establish specific facts showing good cause for that discovery on a noticed motion to

the appeals board. The motion shall not be made or considered at an ex parte hearing.

The procedures set forth in Section 783 of the Evidence Code shall be followed if evidence of sexual conduct of the applicant is offered to attack his or her credibility. Opinion evidence, evidence of reputation, and evidence of specific instances of sexual conduct of the applicant with any person other than the defendant, or any of such evidence, is not admissible by the defendant to prove consent by or the absence of injury to the applicant, unless the injury alleged by the applicant is in the nature of loss of consortium.

SEC. 25. Section 3700 of the Labor Code is amended to read:

3700. Every employer except the state shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this state.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

(c) For any county, city, city and county, municipal corporation, public district, public agency, or any political subdivision of the state, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the state itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the director of ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the state which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of Section 3702.

SEC. 26. Section 3702.10 of the Labor Code is amended to read:

3702.10. The director, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, may adopt, amend, and repeal rules and regulations reasonably necessary to carry out the purposes of Section 129 and Article 1 (commencing with Section 3700), Article 2 (commencing with Section 3710), and Article 2.5 (commencing with Section 3740). This authorization includes, but is not limited to, the adoption of regulations to do all of the following:

(a) Specifying what constitutes ability to self-insure and to pay any compensation which may become due under Section 3700.

(b) Specifying what constitutes a marked reduction of an

employer's financial strength.

(c) Specifying what constitutes a failure or inability to fulfill the employer's obligations under Section 3702.

(d) Interpreting and defining the terms used.

(e) Establishing procedures and standards for hearing and determinations, and providing for those determinations to be appealed to the appeals board.

(f) Specifying the standards, form, and content of agreements, forms, and reports between parties who have obligations pursuant to this chapter.

(g) Providing for the combinations and relative liabilities of security deposits, assumptions, and guarantees used pursuant to this chapter.

(h) Disclosing otherwise confidential financial information concerning self-insureds to courts or the Self-Insurers' Security Fund and specifying appropriate safeguards for that information.

(i) Requiring an amount to be added to each security deposit to secure the cost of administration of claims and to pay all legal costs.

(j) Authorizing and encouraging group self-insurance.

SEC. 27. Section 3761 of the Labor Code is amended to read:

3761. (a) An insurer securing an employer's liability under this division shall notify the employer, within 15 days, of each claim for indemnity filed against the employer directly with the insurer if the employer has not timely provided to the insurer a report of occupational injury or occupational illness pursuant to Section 6409.1. The insurer shall furnish an employer who has not filed this report with an opportunity to provide to the insurer, prior to the expiration of the 90-day period specified in Section 5402, all relevant information available to the employer concerning the claim.

(b) An employer shall promptly notify its insurer in writing at any time during the pendency of a claim when the employer has actual knowledge of any facts which would tend to disprove any aspect of the employee's claim. When an employer notifies its insurer in writing that, in the employer's opinion, no compensation is payable to an employee, at the employer's written request, to the appeal board, the appeals board may approve a compromise and release agreement, or stipulation, that provides compensation to the employee only where there is proof of service upon the employer by the insurer, to the employer's last known address, not less than 15 days prior to the appeals board action, of notice of the hearing at which the compromise and release agreement or stipulation is to be approved.

Failure by the insurer to provide the required notice shall not prohibit the board from approving a compromise and release agreement, or stipulation; however, the board shall order the insurer to pay reasonable expenses as provided in Section 5813.

(c) In establishing a reserve pursuant to a claim that affects premiums against an employer, an insurer shall provide the employer, upon request, a written report of the reserve amount

established. The written report shall include, at a minimum, the following:

(1) Estimated medical-legal costs.

(2) Estimated vocational rehabilitation costs, if any.

(3) Itemization of all other estimated expenses to be paid from the reserve.

(d) When an employer properly provides notification to its insurer pursuant to subdivision (b), and the appeals board thereafter determines that no compensation is payable under this division, the insurer shall reimburse the employer for any premium paid solely due to the inclusion of the successfully challenged payments in the calculation of the employer's experience modification. The employee shall not be required to refund the challenged payment.

SEC. 28. Section 3762 is added to the Labor Code, to read:

3762. The insurer shall discuss all elements of the claim file with the employer that affect the employer's premium, and shall supply copies of the documents that affect the premium at the employer's expense during reasonable business hours. The right provided by this section shall not extend to any document that the insurer is prohibited from disclosing to the employer under the attorney-client privilege, any other applicable privilege, or statutory prohibition upon disclosure, or under Section 1877.4 of the Insurance Code.

SEC. 29. Section 4060 is added to the Labor Code, to read:

4060. (a) This section shall apply to disputes over the compensability of any injury. This section shall not apply where injury to any part or parts of the body is accepted as compensable by the employer.

(b) Neither the employer nor the employee shall be liable for any comprehensive medical-legal evaluation performed by other than the treating physician either in whole or in part on behalf of the employee prior to the filing of a claim form and prior to the time the claim is denied or becomes presumptively compensable under Section 5402. However, reports of treating physicians shall be admissible.

(c) If a medical evaluation is required to determine compensability at any time after the period specified in subdivision (b), and the employee is represented by an attorney, each party may select a qualified medical evaluator to conduct a comprehensive medical-legal evaluation. Neither party may obtain more than one comprehensive medical-legal report, provided, however, that any party may obtain additional reports at their own expense. The parties may, at any time, agree on one medical evaluator to evaluate the issues in dispute.

(d) If the employee is not represented by an attorney, the employer shall not seek agreement with the employee on a physician to prepare a comprehensive medical-legal evaluation. The employee may select a qualified medical evaluator to prepare a comprehensive medical-legal evaluation. The division shall assist unrepresented employees, and shall make available to them the list of medical

evaluators compiled under Section 139.2. Neither party may obtain more than one comprehensive medical-legal report, provided, however, that any party may obtain additional reports at their own expense. If an employee has received a comprehensive medical-legal evaluation under this subdivision, and he or she later becomes represented by an attorney, he or she shall not be entitled to an additional evaluation at the employer's expense.

(e) Evaluations performed under this section shall not be limited to the issue of the compensability of the injury, but shall address all medical issues in dispute.

SEC. 30. Section 4061 of the Labor Code is amended to read:

4061. (a) Together with the last payment of temporary disability indemnity, the employer shall, in a form prescribed by the administrative director pursuant to Section 138.4, provide the employee one of the following:

(1) Notice either that no permanent disability indemnity will be paid because the employer alleges the employee has no permanent impairment or limitations resulting from the injury or notice of the amount of permanent disability indemnity determined by the employer to be payable. The notice shall include information concerning how the employee may obtain a formal medical evaluation pursuant to subdivision (c) if he or she disagrees with the position taken by the employer. If the employer determines permanent disability indemnity is payable, the employer shall advise the employee of the amount determined payable and the basis on which the determination was made and whether there is need for continuing medical care.

(2) Notice that permanent disability indemnity may be or is payable, but that the amount cannot be determined because the employee's medical condition is not yet permanent and stationary. The notice shall advise the employee that his or her medical condition will be monitored until it is permanent and stationary, at which time the necessary evaluation will be performed to determine the existence and extent of permanent impairment and limitations for the purpose of rating permanent disability and to determine the need for continuing medical care, or at which time the employer will advise the employee of the amount of permanent disability indemnity the employer has determined to be payable. If an employee is provided notice pursuant to this paragraph and the employer later takes the position that the employee has no permanent impairment or limitations resulting from the injury, or later determines permanent disability indemnity is payable, the employer shall in either event, within 14 days of the determination to take either position, provide the employee with the notice specified in paragraph (1).

(b) Each notice required by subdivision (a) shall describe the administrative procedures available to the injured employee and advise the employee of his or her right to consult an information and assistance officer or an attorney. It shall contain the following

language:

"Should you decide to be represented by an attorney, you may or may not receive a larger award, but, unless you are determined to be ineligible for an award, the attorney's fee will be deducted from any award you might receive for disability benefits. The decision to be represented by an attorney is yours to make, but it is voluntary and may not be necessary for you to receive your benefits."

(c) If the parties do not agree to a permanent disability rating based on the treating physician's evaluation or the assessment of need for continuing medical care, and the employee is represented by an attorney, the employer shall seek agreement with the employee on a physician to prepare a comprehensive medical evaluation of the employee's permanent impairment and limitations and any need for continuing medical care resulting from the injury. If no agreement is reached within 10 days, or any additional time not to exceed 20 days agreed to by the parties, the parties may not later select an agreed medical evaluator. Evaluations of an employee's permanent impairment and limitations obtained prior to the period to reach agreement shall not be admissible in any proceeding before the appeals board. After the period to reach agreement has expired, either party may select a qualified medical evaluator to conduct the comprehensive medical evaluation. Neither party may obtain more than one comprehensive medical-legal report, provided, however, that any party may obtain additional reports at their own expense.

(d) If the parties do not agree to a permanent disability rating based on the treating physician's evaluation, and if the employee is not represented by an attorney, the employer shall not seek agreement with the employee on a physician to prepare an additional medical evaluation. The employer shall immediately provide the employee with a form prescribed by the medical director with which to request assignment of a panel of three qualified medical evaluators. The employee shall select a physician from the panel to prepare an independent medical evaluation of the employee's permanent impairment and limitations and any need for continuing medical care resulting from the injury.

The report of the qualified medical evaluator and the reports of the treating physician or physicians shall be the only admissible reports and shall be the only reports obtained by the employee or the employer on the issues subject to this section. If the employee has received a comprehensive medical-legal evaluation under this subdivision, and he or she later becomes represented by an attorney, he or she shall not be entitled to an additional evaluation. In no event shall the employer be entitled to obtain another report in these cases.

(e) The represented employee shall be responsible for making an appointment with an agreed medical evaluator.

(f) The unrepresented employee shall be responsible for making an appointment with a qualified medical evaluator selected from a panel of three qualified medical evaluators. The evaluator shall give the employee, at the appointment, a brief opportunity to ask

questions concerning the evaluation process and the evaluator's background. The unrepresented employee shall then participate in the evaluation as requested by the evaluator unless the employee has good cause to discontinue the evaluation. For purposes of this subdivision, "good cause" shall include evidence that the evaluator is biased against the employee because of his or her race, sex, national origin, religion, or sexual preference or evidence that the evaluator has requested the employee to submit to an unnecessary medical examination or procedure. If the unrepresented employee declines to proceed with the evaluation, he or she shall have the right to a new panel of three qualified medical evaluators from which to select one to prepare a comprehensive medical evaluation. If the appeals board subsequently determines that the employee did not have good cause to not proceed with the evaluation, the cost of the evaluation shall be deducted from any award the employee obtains.

(g) Upon selection or assignment pursuant to subdivision (c) or (d), the medical evaluator shall perform a comprehensive medical evaluation according to the procedures promulgated by the Industrial Medical Council under paragraphs (2) and (3) of subdivision (j) of Section 139.2 and summarize the medical findings on a form prescribed by the Industrial Medical Council. The comprehensive medical evaluation shall address all contested medical issues arising from all injuries reported on one or more claim forms prior to the date of the employee's initial appointment with the medical evaluator. If, after a comprehensive medical evaluation is prepared, the employer or the employee subsequently objects to any new medical issue, the parties, to the extent possible, shall utilize the same medical evaluator who prepared the previous evaluation to resolve the medical dispute.

(h) Except as provided in Section 139.3, the medical evaluator may obtain consultations from other physicians who have treated the employee for the injury whose expertise is necessary to provide a complete and accurate evaluation.

(i) The qualified medical evaluator who has evaluated an unrepresented employee shall serve the comprehensive medical evaluation and the summary form on the employee, employer, and the Office of Benefit Determination. The unrepresented employee or the employer may submit the treating physician's evaluation for the calculation of a permanent disability rating. Within 20 days of receipt of the comprehensive medical evaluation, the Office of Benefit Determination shall calculate the permanent disability rating according to Section 4660 and serve the rating on the employee and employer.

(j) Any comprehensive medical evaluation concerning an unrepresented employee which indicates that part or all of an employee's permanent impairment or limitations may be subject to apportionment pursuant to Sections 4663 or 4750 shall first be submitted by the Office of Benefit Determination to a workers' compensation judge who may refer the report back to the qualified

medical evaluator for correction or clarification if the judge determines the proposed apportionment is inconsistent with the law.

(k) Within 30 days of receipt of the rating, if the employee is unrepresented, the employee or employer may request that the Office of Benefit Determination reconsider the recommended rating or obtain additional information from the treating physician or medical evaluator to address issues not addressed or not completely addressed in the original comprehensive medical evaluation or not prepared in accord with the procedures of the Industrial Medical Council promulgated under paragraph (2) or (3) of subdivision (j) of Section 139.2. This request shall be in writing, shall specify the reasons the rating should be reconsidered, and shall be served on the other party. If the administrative director finds the comprehensive medical evaluation is not complete or not in compliance with the required procedures, the administrative director shall return the report to the treating physician or qualified medical evaluator for appropriate action as the administrative director instructs. Upon receipt of the treating physician's or qualified medical evaluator's final comprehensive medical evaluation and summary form, the Office of Benefit Determination shall recalculate the permanent disability rating according to Section 4660 and serve the rating, the comprehensive medical evaluation, and the summary form on the employee and employer.

(*l*) If a comprehensive medical evaluation from the treating physician or an agreed medical evaluator or a qualified medical evaluator selected from a three-member panel resolves any issue so as to require an employer to provide compensation, the employer shall commence the payment of compensation or promptly commence proceedings before the appeals board to resolve the dispute for adjudication of claim. If the employee and employer agree to a stipulated findings and award as provided under Section 5702 or to compromise and release the claim under Chapter 2 (commencing with Section 5000) of Part 3, or if the employee wishes to commute the award under Chapter 3 (commencing with Section 5100) of Part 3, the appeals board shall first determine whether the agreement or commutation is in the best interests of the employee and whether the proper procedures have been followed in determining the permanent disability rating. The Office of Benefit Determination shall promulgate a form to notify the employee, at the time of service of any rating under this section, of the options specified in this subdivision, the potential advantages and disadvantages of each option, and the procedure for disputing the rating.

(m) No issue relating to the existence or extent of permanent impairment and limitations or the need for continuing medical care resulting from the injury may be the subject of a declaration of readiness to proceed of claim unless there has first been a medical evaluation by a treating physician or an agreed or qualified medical evaluator. With the exception of an evaluation or evaluations

prepared by the treating physician or physicians, no evaluation of permanent impairment and limitations or need for continuing medical care resulting from the injury shall be obtained prior to service of the comprehensive medical evaluation on the employee and employer if the employee is unrepresented, or prior to the attempt to select an agreed medical evaluator if the employee is represented. Evaluations obtained in violation of this prohibition shall not be admissible in any proceeding before the appeals board. However, the testimony, records, and reports offered by the treating physician or physicians who treated the employee for the injury and comprehensive medical evaluations prepared by a qualified medical evaluator selected by an unrepresented employee from a three-member panel shall be admissible.

SEC. 31. Section 4061.5 is added to the Labor Code, to read:

4061.5. The treating physician primarily responsible for managing the care of the injured worker or the physician designated by that treating physician shall, in accordance with rules promulgated by the administrative director, render opinions on all medical issues necessary to determine eligibility for compensation. In the event that there is more than one treating physician, a single report shall be prepared by the physician primarily responsible for managing the injured worker's care that incorporates the findings of the various treating physicians.

SEC. 32. Section 4062 of the Labor Code is amended to read:

4062. (a) If either the employee or employer objects to a medical determination made by the treating physician concerning the permanent and stationary status of the employee's medical condition, the employee's preclusion or likely preclusion to engage in his or her usual occupation, the extent and scope of medical treatment, the existence of new and further disability, or any other medical issues not covered by Section 4060 or 4061, the objecting party shall notify the other party in writing of the objection within 20 days if the employee is represented by an attorney or within 30 days if the employee is not represented by an attorney. These time limits may be extended for good cause or by mutual agreement. Parties shall seek agreement with the other party on a physician, who need not be a qualified medical evaluator, to prepare a report resolving the disputed issue. If no agreement is reached within 10 days, or any additional time not to exceed 20 days agreed upon by the parties, the parties may not later select an agreed medical evaluator. Evaluations obtained prior to the period to reach agreement shall not be admissible in any proceeding before the appeals board. After the period to reach agreement has expired, the objecting party may select a qualified medical evaluator to conduct the comprehensive medical evaluation. Neither party may obtain more than one comprehensive medical-legal report, provided, however, that any party may obtain additional reports at their own expense. The nonobjecting party may continue to rely on the treating physician's report or may select a qualified medical

evaluator to conduct an additional evaluation.

(b) If the employee is not represented by an attorney, the employer shall not seek agreement with the employee on a physician to prepare the comprehensive medical evaluation. The employer shall immediately provide the employee with a form prescribed by the medical director with which to request assignment of a panel of three qualified medical evaluators. The employee shall select a physician from the panel to prepare a comprehensive medical evaluation. The evaluation of the qualified medical evaluator selected from a panel of three and the reports of the treating physician or physicians shall be the only admissible reports and shall be the only reports obtained by the employee or employer on issues subject to this section in a case involving an unrepresented employee. If the employee has received a comprehensive medical-legal evaluation under this subdivision, and he or she later becomes represented by an attorney, he or she shall not be entitled to an additional evaluation.

(c) Upon completing a determination of the disputed medical issue, the physician selected under subdivision (a) or (b) to perform the medical evaluation shall summarize the medical findings on a form prescribed by the Industrial Medical Council and shall serve the formal medical evaluation and the summary form on the employee, employer, and administrative director. The medical evaluation shall address all contested medical issues arising from all injuries reported on one or more claim forms prior to the date of the employee's initial appointment with the medical evaluator. If, after a medical evaluation is prepared, the employer or the employee subsequently objects to any new medical issue, the parties, to the extent possible, shall utilize the same medical evaluator who prepared the previous evaluation to resolve the medical dispute.

(d) No disputed medical issue specified in subdivision (a) may be the subject of a declaration of readiness to proceed unless there has first been an evaluation by the treating physician or an agreed or qualified medical evaluator.

(e) With the exception of a report or reports prepared by the treating physician or physicians, no report determining disputed medical issues set forth in subdivision (a) shall be obtained prior to the expiration of the period to reach agreement on the selection of an agreed medical evaluator under subdivision (a). Reports obtained in violation of this prohibition shall not be admissible in any proceeding before the appeals board. However, the testimony, records, and reports offered by the treating physician or physicians who treated the employee for the injury shall be admissible.

SEC. 33. Section 4062.9 is added to the Labor Code, to read:

4062.9. In cases where an additional comprehensive medical evaluation is obtained under Section 4061 or 4062, the findings of the treating physician are presumed to be correct. This presumption is rebuttable and may be controverted by a preponderance of medical opinion indicating an different level of impairment. However, this

presumption shall not apply where both parties select qualified medical examiners.

SEC. 34. Section 4064 of the Labor Code is amended to read:

4064. (a) The employer shall be liable for the cost of each reasonable and necessary comprehensive medical-legal evaluation obtained by the employee pursuant to Sections 4060, 4061, and 4062. Each comprehensive medical-legal evaluation shall address all contested medical issues arising from all injuries reported on one or more claim forms. An unrepresented employee who has already obtained a medical evaluation under Sections 4060, 4061, or 4062 shall not obtain any additional comprehensive medical evaluations at the employer's expense.

(b) Subject to Section 4906, if an employer files an application for adjudication and the employee is unrepresented at the time the application is filed, the employer shall be liable for any attorney's fees incurred by the employee in connection with the application for adjudication if the employee does not obtain a rebuttal report.

(c) The employer shall not be liable for the cost of any comprehensive medical evaluations obtained by the employee other than those authorized pursuant to Sections 4060, 4061, and 4062. However, this does not prohibit any party from obtaining any medical evaluation or consultation an the party's own expense. In no event shall an employer or employee be liable for an evaluation obtained in violation of subdivision (b) of Section 4060. All comprehensive medical evaluations obtained by any party shall be admissible in any proceeding before the appeals board except as provided in subdivisions (d) and (m) of Section 4061 and subdivisions (b) and (e) of Section 4062.

(d) This section shall become operative for injuries occurring on and after January 1, 1991.

SEC. 35. Section 4065 is added to the Labor Code, to read:

4065. (a) In cases where either the employer or the employee have obtained evaluations of the employee's permanent impairment and limitations from a qualified medical evaluator under Section 4061 and either party contests the comprehensive medical evaluation of the other party, the workers' compensation judge or the appeals board shall be limited to choosing between either party's proposed permanent disability rating.

(b) The employee's permanent disability benefit awarded under paragraph (a) shall be adjusted based on the disability rating selected by the appeals board. If the appeals board chooses the permanent disability rating recommended by the employer, then the employee's permanent disability benefit award shall be reduced by the cost of the employee's comprehensive medical-legal evaluation. If the judge chooses the permanent disability rating recommended by the employee, the permanent disability benefit award shall be increased by the cost of the employer's comprehensive medical-legal evaluation.

SEC. 36. Section 4068 is added to the Labor Code, to read:

4068. (a) Upon determining that a treating physician's report contains opinions that are the result of conjecture, are not supported by adequate evidence, or that indicate bias, the appeals board shall so notify the administrative director in writing in a manner he or she has specified.

(b) If the administrative director believes that any treating physician's reports show a pattern of unsupported opinions, he or she shall notify in writing the physician's applicable licensing body of his findings. If the treating physician is a medical evaluator, the administrative director shall also notify the Industrial Medical Council.

SEC. 37. Section 4453 of the Labor Code is amended to read:

4453. (a) In computing average annual earnings for the purposes of temporary disability indemnity and permanent total disability indemnity only, the average weekly earnings shall be taken at:

(1) Not less than one hundred twenty-six dollars ($126) nor more than two hundred ninety-four dollars ($294), for injuries occurring on and after January 1, 1983.

(2) Not less than one hundred sixty-eight dollars ($168) nor more than three hundred thirty-six dollars ($336), for injuries occurring on and after January 1, 1984.

(3) Not less than one hundred sixty-eight dollars ($168) for permanent total disability, and, for temporary disability, not less than the lesser of one hundred sixty-eight dollars ($168) or 1.5 times the employee's average weekly earnings from all employers, but in no event less than one hundred forty-seven dollars ($147), nor more than three hundred ninety-nine dollars ($399) for injuries occurring on and after January 1, 1990.

(4) Not less than one hundred sixty-eight dollars ($168) for permanent total disability, and for temporary disability, not less than the lesser of one hundred eighty-nine dollars ($189) or 1.5 times the employee's average weekly earnings from all employers, nor more than five hundred four dollars ($504), for injuries occurring on and after January 1, 1991.

(5) Not less than one hundred sixty-eight dollars ($168) for permanent total disability, and for temporary disability, not less than the lesser of one hundred eighty-nine dollars ($189) or 1.5 times the employee's average weekly earnings from all employers, nor more than six hundred nine dollars ($609) for injuries occurring on and after July 1, 1994.

(6) Not less than one hundred sixty-eight dollars ($168) for permanent total disability, and for temporary disability, not less than the lesser of one hundred eighty-nine dollars ($189) or 1.5 times the employee's average weekly earnings from all employers, nor more than six hundred seventy-two dollars ($672) for injuries occurring on and after July 1, 1995.

(7) Not less than one hundred sixty-eight dollars ($168) for permanent total disability, and for temporary disability, not less than the lesser of one hundred eighty-nine dollars ($189) or 1.5 times the

employee's average weekly earnings from all employers, nor more than seven hundred thirty-five dollars ($735) for injuries occurring on and after July 1, 1996.

(b) In computing average annual earnings for purposes of permanent partial disability indemnity, except as provided in Section 4659, the average weekly earnings shall be taken at:

(1) Not less than seventy-five dollars ($75) nor more than one hundred ninety-five dollars ($195), for injuries occurring on and after January 1, 1983.

(2) Not less than one hundred five dollars ($105) nor more than two hundred ten dollars ($210), for injuries occurring on and after January 1, 1984.

(3) When the final adjusted permanent disability rating of the injured employee is 15 percent or greater but not more than 24.75 percent: (A) not less than one hundred five dollars ($105) nor more than two hundred twenty-two dollars ($222) for injuries occurring on and after July 1, 1994; (B) not less than one hundred five dollars ($105) nor more than two hundred thirty-one dollars ($231) for injuries occurring on and after July 1, 1995; (C) not less than one hundred five dollars ($105) nor more than two hundred forty dollars ($240) for injuries occurring on and after July 1, 1996.

(4) When the final adjusted permanent disability rating of the injured employee is 25 percent or greater, not less than one hundred five dollars ($105), nor more than two hundred twenty-two dollars ($222), for injuries occurring on and after January 1, 1991.

(5) When the final adjusted permanent disability rating of the injured employee is 25 percent or greater but not more than 69.75 percent: (A) not less than one hundred five dollars ($105), nor more than two hundred thirty-seven dollars ($237) for injuries occurring on and after July 1, 1994; (B) not less than one hundred five dollars ($105), nor more than two hundred forty-six dollars ($246) for injuries occurring on and after July 1, 1995; and (C) not less than one hundred five dollars ($105), nor more than two hundred fifty-five dollars ($255) for injuries occurring on and after July 1, 1996.

(6) When the final adjusted permanent disability rating of the injured employee is 70 percent or greater but less than 99.75 percent: (A) not less than one hundred five dollars ($105), nor more than two hundred fifty-two dollars ($252), for injuries occurring on and after July 1, 1994; (B) not less than one hundred five dollars ($105), nor more than two hundred ninety-seven dollars ($297), for injuries occurring on and after July 1, 1995; and (C) not less than one hundred five dollars ($105), nor more than three hundred forty-five dollars ($345) for injuries occurring on and after July 1, 1996.

(c) Between the limits specified in subdivisions (a) and (b), the average weekly earnings, except as provided in Sections 4456 to 4459, shall be arrived at as follows:

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

the time of the injury.

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

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

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

(d) Every computation made pursuant to this section beginning January 1, 1990, shall be made only with reference to temporary disability or the permanent disability resulting from an original injury sustained after January 1, 1990. However, all rights existing under this section on January 1, 1990, shall be continued in force. Except as provided in Section 4661.5, disability indemnity benefits shall be calculated according to the limits in this section in effect on the date of injury and shall remain in effect for the duration of any disability resulting from the injury.

SEC. 38. Section 4600 of the Labor Code is amended to read:

4600. Medical, surgical, chiropractic, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches, and apparatus, including artificial members, which is reasonably required to cure or relieve from the effects of the injury shall be provided by the employer. In the case of his or her neglect or refusal seasonably to do so, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing treatment. After 30 days from the date the injury is reported, the employee may be treated by a physician of his or her own choice or at a facility of his or her own choice within a reasonable geographic area. However, if an employee has notified his or her employer in writing prior to the date of injury that he or she has a personal physician, the employee shall have the right to be treated by that physician from the date of injury. If an employee requests a change of physician pursuant to Section 4601, the request may be made at any time after the injury, and the alternative physician or chiropractor shall be provided within five days of the request as

required by Section 4601. For the purpose of this section, "personal physician" means the employee's regular physician and surgeon, licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, who has previously directed the medical treatment of the employee, and who retains the employee's medical records, including his or her medical history.

Where at the request of the employer, the employer's insurer, the administrative director, the appeals board, or a workers' compensation judge, the employee submits to examination by a physician, he or she shall be entitled to receive in addition to all other benefits herein provided all reasonable expenses of transportation, meals and lodging incident to reporting for the examination, together with one day of temporary disability indemnity for each day of wages lost in submitting to the examination. Regardless of the date of injury, "reasonable expenses of transportation" includes mileage fees from the employee's home to the place of the examination and back at the rate of twenty-one cents ($0.21) a mile or the mileage rate adopted by the Director of the Department of Personnel Administration pursuant to Section 19820 of the Government Code, whichever is higher, plus any bridge tolls. The mileage and tolls shall be paid to the employee at the time he or she is given notification of the time and place of the examination.

Where at the request of the employer, the employer's insurer, the administrative director, the appeals board, a workers' compensation judge, an employee submits to examination by a physician and the employee does not proficiently speak or understand the English language, he or she shall be entitled to the services of a qualified interpreter in accordance with conditions and a fee schedule prescribed by the administrative director. These services shall be provided by the employer. For purposes of this section, "qualified interpreter" means a language interpreter certified, or deemed certified, pursuant to Section 11513 or 68566 of the Government Code.

SEC. 39. Section 4600.3 is added to the Labor Code, to read:

4600.3. (a) (1) Notwithstanding Section 4600, when a self-insured employer, group of self-insured employers, or the insurer of an employer contracts with at least two health care organizations certified pursuant to Section 4600.5 for health care services required by this article to be provided to injured employees, those employees who are subject to the contract shall receive medical services in the manner prescribed in the contract, providing that the employee may choose to be treated by a personal physician or personal chiropractor he or she has designated prior to the injury who is not affiliated with the health care organization in accordance with Sections 4600 and 4601, in which case the employee shall not be treated by the health care organization. Every employee shall be given an affirmative choice at the time of employment and at least annually thereafter to designate or change the designation of a health care organization or a personal physician or personal

chiropractor. The choice shall be memorialized in writing and maintained in the employee's personnel records. The employee who has designated a personal physician or personal chiropractor may change physicians at any time prior to the injury. Any employee who fails to choose between health care organizations or to designate a personal physician or personal chiropractor shall be treated by the health care organization selected by the employer.

(2) Each such contract must comply with the certification standards provided in Section 4600.5, and shall provide all medical, surgical, chiropractic, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches, and apparatus, including artificial members, that is reasonably required to cure or relieve the effects of the injury, as required by this division, without any payment by the employee of deductibles, copayments, or any share of the premium. However, an employee may receive immediate emergency medical treatment that is compensable from a medical service provider who is not a member of the health care organization.

(3) The employee shall be allowed to choose from at least two health care organizations, of which at least one must accept payment from the employer on a fee-for-service basis. If one of the health care organizations offered by the employer is the workers' compensation insurer that covers the employee or is an entity that controls or is controlled by that insurer, as defined by Section 1215 of the Insurance Code, the employee shall be allowed to choose from at least three health care organizations, including the workers' compensation insurer described in this paragraph, of which at least one must accept payment from the employer on a fee-for-service basis.

(4) Insurers or self-insured employers who contract with a health care organization for medical services shall give notice to employees of eligible medical service providers and such other information regarding the contract and manner of receiving medical services as the administrative director may prescribe. Employees shall be duly notified that if they choose to receive care from the health care organization they must receive treatment for all occupational injuries and illnesses as prescribed by this section.

(b) Notwithstanding subdivision (a), no employer which is required to bargain with an exclusive or certified bargaining agent which represents employees of the employer in accordance with state or federal employer-employee relations law shall contract with a health care organization for purposes of Section 4600.5 unless authorized to do so by mutual agreement between the bargaining agent and the employer. If the collective bargaining agreement is subject to the National Labor Relations Act, the employer may contract with a health care organization for purposes of Section 4600.5 at any time when the employer and bargaining agent have bargained to impasse to the extent required by federal law.

(c) (1) If the employee is not receiving or is not eligible to

receive health care coverage for nonoccupational injuries or illnesses provided by the employer, after 90 days from the date the injury is reported, an employee who has been receiving treatment from a health care organization notifies his or her employer in writing that he or she desires to stop treatment by the health care organization, he or she shall have the right to be treated by a physician or at a facility of his or her own choosing within a reasonable geographic area.

(2) If the employee is receiving or is eligible to receive health care coverage for nonoccupational injuries or illnesses provided by the employer, and has agreed to receive care for occupational injuries and illnesses from a health care organization provided by the employer, the employee may be treated for occupational injuries and diseases by a physician of his or her own choice or at a facility of his or her own choice within a reasonable geographic area only after 180 days from the date the injury was reported, or upon the date of contract renewal or open enrollment of the health care organization, whichever occurs first.

(3) If the employee is receiving or is eligible to receive health care coverage for nonoccupational injuries or illnesses provided by the employer, and his or her personal physician or personal chiropractor is participating in at least one of the health care organizations offered to the employee, and he or she has chosen treatment by one of these health care organizations for occupational injuries or illnesses, the employee may be treated by a physician of his or her own choice or at a facility of his or her own choice within a reasonable geographic area only after 365 days from the date the injury was reported, or upon the date of contract renewal or open enrollment, whichever occurs first.

(4) For purposes of this subdivision, an employer shall be deemed to provide health care coverage for nonoccupational injuries and illnesses if the employer pays more than one-half the costs of the coverage, or if the plan is established pursuant to collective bargaining.

(d) An employee and employer may agree to other forms of therapy pursuant to Section 3209.7.

(e) An employee enrolled in a health care organization shall have the right to no less than one change of physician on request, and shall be given a choice of physicians affiliated with the health care organization. The health care organization shall provide the employee a choice of participating physicians within five days of receiving a request. In addition, the employee shall have the right to a second opinion from an participating physician on a matter pertaining to diagnosis from a participating physician.

(f) Nothing in this section or Section 4600.5 shall be construed to prohibit a self-insured employer or workers' compensation insurer that contracts with an employer from engaging in any activities permitted by Section 4600.

SEC. 40. Section 4600.5 is added to the Labor Code, to read:

4600.5. (a) Any health care service plan licensed pursuant to the Knox-Keene Health Care Service Plan Act, a disability insurer licensed by the Department of Insurance, or any entity, including, but not limited to, workers' compensation insurers and third-party administrators authorized as a workers' compensation health care provider organization by the Commissioner of Corporations, may make written application to the administrative director to become certified as a health care organization to provide health care to injured employees for injuries and diseases compensable under this article.

(b) Each application for certification shall be accompanied by a reasonable fee prescribed by the administrative director. A certificate is valid for such period as the director may prescribe unless sooner revoked or suspended.

(c) If the health care organization is a health care service plan licensed pursuant to the Knox-Keene Health Care Service Plan Act, the administrative director shall certify the plan to provide health care pursuant to Section 4600.3 if the director finds that the plan is in good standing with the Department of Corporations and meets the following additional requirements:

(1) Proposes to provide all medical and health care services that may be required by this article.

(2) Provides a program involving cooperative efforts by the employees, the employer, and the health plan to promote workplace health and safety, consultative and other services, and early return to work for injured employees.

(3) Proposes a timely and accurate method to meet the requirements set forth by the administrative director for all carriers of workers' compensation coverage to report necessary information regarding medical and health care service cost and utilization, rates of return to work, average time in medical treatment, and other measures as determined by the administrative director to enable the director to determine the effectiveness of the plan.

(4) Agrees to provide the administrative director with information, reports, and records prepared and submitted to the Department of Corporations in compliance with the Knox-Keene Health Care Service Plan Act, relating to financial solvency, provider accessibility, peer review, utilization review, and quality assurance, upon request, if the administrative director determines the information is necessary to verify that the plan is providing medical treatment to injured employees in compliance with the requirements of this code.

Disclosure of peer review proceedings and records of the administrative director shall not alter the status of the proceedings or records as privileged and confidential communications pursuant to Sections 1370 and 1370.1 of the Health and Safety Code.

(5) Demonstrates the capability to provide occupational medicine and related disciplines.

(6) Complies with any other requirement the administrative

director determines is necessary to provide medical services to injured employees consistent with the intent of this article, including, but not limited to, a written patient grievance policy.

(d) If the health care organization is a disability insurer licensed by the Department of Insurance, the administrative director shall certify the plan to provide health care pursuant to Section 4600.3 if the director finds that the plan is in good standing with the Department of Insurance and in compliance with subdivision (d) of Section 10133 and Section 10133.5 of the Insurance Code, and meets the following additional requirements:

(1) Proposes to provide all medical and health care services that may be required by this article.

(2) Provides a program involving cooperative efforts by the employees, the employer, and the health plan to promote workplace health and safety, consultative and other services, and early return to work for injured employees.

(3) Proposes a timely and accurate method to meet the requirements set forth by the administrative director for all carriers of workers' compensation coverage to report necessary information regarding medical and health care service cost and utilization, rates of return to work, average time in medical treatment, and other measures as determined by the administrative director to enable the director to determine the effectiveness of the plan.

(4) Agrees to provide the administrative director with information, reports, and records prepared and submitted to the Department of Insurance in compliance with the Insurance Code relating to financial solvency, provider accessibility, peer review, utilization review, and quality assurance, upon request, if the administrative director determines the information is necessary to verify that the plan is providing medical treatment to injured employees consistent with the intent of this article.

Disclosure of peer review proceedings and records of the administrative director shall not alter the status of the proceedings or records as privileged and confidential communications pursuant to subdivision (d) of Section 10133 of the Insurance Code.

(5) Demonstrates the capability to provide occupational medicine and related disciplines.

(6) Complies with any other requirement the administrative director determines is necessary to provide medical services to injured employees consistent with the intent of this article, including, but not limited to, a written patient grievance policy.

(e) If the health care organization is a workers' compensation health care provider organization authorized by the Department of Corporations, the administrative director shall certify the plan to provide health care pursuant to Section 4600.3 if the director finds that the plan is in good standing with the Department of Corporations, and it meets the following additional requirements:

(1) Proposes to provide all medical and health care services that may be required by this article.

(2) Provides a program involving cooperative efforts by the employees, the employer, and the health plan to promote workplace health and safety, consultative and other services, and early return to work for injured employees.

(3) Proposes a timely and accurate method to meet the requirements set forth by the administrative director for all carriers of workers' compensation coverage to report necessary information regarding medical and health care service cost and utilization, rates of return to work, average time in medical treatment, and other measures as determined by the administrative director to enable the director to determine the effectiveness of the plan.

(4) Agrees to provide the administrative director with information, reports, and records prepared and submitted to the Department of Insurance in compliance with the Insurance Code relating to financial solvency, provider accessibility, peer review, utilization review, and quality assurance, upon request, if the administrative director determines the information is necessary to verify that the plan is providing medical treatment to injured employees consistent with the intent of this article.

Disclosure of peer review proceedings and records of the administrative director shall not alter the status of the proceedings or records as privileged and confidential communications pursuant to subdivision (d) of Section 10133 of the Insurance Code.

(5) Demonstrates the capability to provide occupational medicine and related disciplines.

(6) Complies with any other requirement the administrative director determines is necessary to provide medical services to injured employees consistent with the intent of this article, including, but not limited to, a written patient grievance policy.

(f) The provisions of this section shall not affect the confidentiality or admission in evidence of a claimant's medical treatment records.

(g) (1) Charges for services provided by health care organizations paid on a capitated basis certified by this section shall not be subject to the schedules adopted by the administrative director pursuant to Section 5307.1.

(2) Nothing in this section shall prohibit a health care facility paid by an employer on a fee-for-service basis from being paid fees different than those set forth in the official medical fee schedule by an employer, insurance carrier, third party administrator on behalf of employers, or preferred provider organization representing an employer or insurance carrier provided that:

(A) The fee is an alternative discounted rate which covers all services in lieu of separate fees for itemized services, whether or not the itemized services are specified on the fee schedule, and

(B) The administrative director has determined that the alternative discounted rates between the health care organization and a payor, a third party administrator on behalf of employers, or a preferred provider organization will produce greater savings in the

aggregate than if each item on facility billings were to be charged at the schedule rate.

(h) Nothing in this section shall be construed to expand or constrict any requirements imposed by law on a health care service plan or insurer when operating as other than a health care organization pursuant to this section.

(i) In consultation with interested parties, including the Department of Corporations and the Department of Insurance, the administrative director shall adopt rules necessary to carry out this section.

(j) This section shall not apply to an employee who is receiving medical treatment for an accepted injury or occupational disease on the operative date of this section until the worker is found to be medically stationary or the worker changes physicians, whichever event first occurs.

(k) The administrative director shall refuse to certify or may revoke or suspend the certification of any health care organization under this section if the director finds that:

(1) The plan for providing medical treatment fails to meet the requirements of this section.

(2) A health care service plan licensed by the Department of Corporations, a workers' compensation health care provider organization authorized by the Department of Corporations, or a carrier licensed by the Department of Insurance is not in good standing with its licensing agency.

(3) Services under the plan are not being provided in accordance with the terms of a certified plan.

(*l*) (1) When an injured employee requests chiropractic treatment for work-related injuries, the health care organization shall provide the injured worker with access to the services of a chiropractor pursuant to guidelines for chiropractic care established by paragraph (2). Within five working days of the employee's request to see a chiropractor, the health care organization and any person or entity who directs the kind or manner of health care services for the plan shall refer an injured employee to an affiliated chiropractor for work-related injuries that are within the guidelines for chiropractic care established by paragraph (2). Chiropractic care rendered in accordance with guidelines for chiropractic care established pursuant to paragraph (2) shall be provided by duly licensed chiropractors affiliated with the plan.

(2) The health care organization shall establish guidelines for chiropractic care in consultation with affiliated chiropractors who are participants in the health care organization's utilization review process for chiropractic care, which may include qualified medical evaluators knowledgeable in the treatment of chiropractic conditions. The guidelines for chiropractic care shall, at a minimum, explicitly require the referral of any injured employee who so requests to an affiliated chiropractor for the evaluation or treatment, or both of neuromusculoskeletal conditions.

(3) Whenever a dispute concerning the appropriateness or necessity of chiropractic care for work-related injuries arises, the dispute shall be resolved by the health care organization's utilization review process for chiropractic care in accordance with the health care organization's guidelines for chiropractic care established by paragraph (2).

Chiropractic utilization review for work-related injuries shall be conducted in accordance with the health care organization's approved quality assurance standards and utilization review process for chiropractic care. Chiropractors affiliated with the plan shall have access to the health care organization's provider appeals process and, in the case of chiropractic care for work-related injuries, the review shall include review by a chiropractor affiliated with the health care organization, as determined by the health care organization.

(4) The health care organization shall inform employees of the procedures for processing and resolving grievances, including those related to chiropractic care, including the location and telephone number where grievances may be submitted.

(5) All guidelines for chiropractic care and utilization review shall be consistent with the standards of this code that require care to cure or relieve the effects of the industrial injury.

SEC. 41. Section 4614 is added to the Labor Code, to read:

4614. (a) (1) Where the employee's provider of health care services rendered under this division and paid on a fee-for-service basis is also the provider of health care services under contract with the employee's health benefit program, and the service or treatment provided is included within the range of benefits of the employee's health benefit program, and paid on a fee-for-service basis, the amount of payment for services provided under this division, for a work-related occurrence or illness, shall be no more than the amount that would have been paid for the same services under the health benefit plan, for a non-work-related occurrence or illness.

(2) Where the employee's provider of health care services rendered under this division is also the provider of a capitated health care service plan under contract with the employee's health benefit program, it shall be paid for on a capitated basis.

(b) (1) Where the employee's provider of health care services rendered under this division as a provider under a managed care contract is not the provider of health care services under contract with the employee's health benefit program or where the services rendered under this division are not within the benefits provided under the employer-sponsored health benefit program, the provider shall receive payment that is no more than the average of the payment that would have been paid by five of the largest health benefit programs by geographic region. Physicians, as defined in Section 3209.3, shall be reimbursed at the same averaged rates, regardless of licensure, for the delivery of services under the same code procedure. This subdivision shall not apply to a health care plan that provides its services on a capitated basis.

(2) The administrative director shall identify the regions and the five largest carriers in each region. The carriers shall provide the necessary information to the administrative director in the form and manner requested by the administrative director. The administrative director shall make this information available to the affected providers on an annual basis.

(c) Nothing in this section shall prohibit a health care provider from being paid fees different than those set forth in the official medical fee schedule by an employer, insurance carrier, third party administrator on behalf of employers, or preferred provider organization representing an employer or insurance carrier provided that:

(1) The fee is an alternative discounted rate which covers all services in lieu of separate fees for itemized services, whether or not the itemized services are specified on the fee schedule, and

(2) The administrative director has determined that the alternative discounted rates between the health care organization and a payor, a third party administrator on behalf of employers, or a preferred provider organization will produce greater savings in the aggregate than if each item on facility billings were to be charged at the scheduled rate.

SEC. 42. Section 4614.1 is added to the Labor Code, to read:

4614.1. Notwithstanding subdivision (f) of Section 1345 of the Health and Safety Code, a health care service plan licensed pursuant to the Knox-Keene Health Care Service Plan Act and certified by the administrative director pursuant to Section 4600.5 to provide health care pursuant to Section 4600.3 shall be permitted to accept payment from a self-insured employer, a group of self-insured employers, or the insurer of an employer on a fee-for-service basis for the provision of such health care.

SEC. 43. Section 4621 of the Labor Code is amended to read:

4621. (a) In accordance with the rules of practice and procedure of the appeals board, the employee, or the dependents of a deceased employee, shall be reimbursed for his or her medical-legal expenses and reasonably, actually, and necessarily incurred, except as provided in Section 4064. The reasonableness of, and necessity for, incurring these expenses shall be determined with respect to the time when the expenses were actually incurred. Costs for medical evaluations, diagnostic tests, and interpreters' services incidental to the production of a medical report shall not be incurred earlier than the date of receipt by the employer, the employer's insurance carrier, or, if represented, the attorney of record, of all reports and documents required by the administrative director incidental to the services. This subdivision is not applicable unless there has been compliance with Section 4620.

(b) Except as provided in subdivision (c) and Sections 4061 and 4062, no comprehensive medical-legal evaluations, except those at the request of an employer, shall be performed during the first 60 days after the notice of claim has been filed pursuant to Section 5401,

and neither the employer nor the employee shall be liable for any expenses incurred for comprehensive medical-legal evaluations performed within the first 60 days after the notice of claim has been filed pursuant to Section 5401.

(c) Comprehensive medical-legal evaluations may be performed at any time after the claim form has been filed pursuant to Section 5401 if the employer has rejected the claim.

(d) Where, at the request of the employer, the employer's insurance carrier, the administrative director, the appeals board, or a referee, the employee submits to examination by a physician, he or she shall be entitled to receive, in addition to all other benefits herein provided, all reasonable expenses of transportation, meals, and lodging incident to reporting for the examination to the same extent and manner as provided for in Section 4600.

SEC. 44. Section 4635 of the Labor Code is amended to read:

4635. As used in this article:

(a) "Qualified injured worker" means an employee who meets both of the following requirements:

(1) The employee's expected permanent disability as a result of the injury, whether or not combined with the effects of a prior injury or disability, if any, permanently precludes, or is likely to preclude, the employee from engaging in his or her usual occupation or the position in which he or she was engaged at the time of injury, hereafter referred to as "medical eligibility."

(2) The employee can reasonably be expected to return to suitable gainful employment through the provision of vocational rehabilitation services, hereafter referred to as "vocational feasibility."

(b) "Qualified rehabilitation representative" means a person capable of developing and implementing a vocational rehabilitation plan and whose experience and regular duties involve the evaluation, counseling, or placement of disabled persons, and who is familiar with this article. It is the intent of the Legislature to allow use of an in-house qualified rehabilitation representative. If the injured worker is represented by an attorney, and an in-house qualified rehabilitation representative is utilized, communication directly with that in-house qualified rehabilitation representative by the injured worker's attorney shall not constitute a violation of Rule 2-100 of the State Bar Rules of Professional Conduct.

(c) "Independent vocational evaluator" means a qualified rehabilitation representative, who, in addition to the requirements of subdivision (b), has one of the following qualifications:

(1) A doctorate or master's degree in vocational counseling or its equivalent and one or more years full-time experience in vocational counseling of industrially injured employees.

(2) A doctor of medicine degree and one or more years full-time experience in psychiatric or psychological evaluation of disabled adults in relation to rehabilitation counseling.

(3) A doctorate or master's degree in counseling or psychology or

their equivalent and two or more years full-time employment using rehabilitation counseling techniques and conducting vocational evaluations of disabled adults under the direct supervision of an independent vocational evaluator.

(4) A baccalaureate degree in any field and three or more years full-time employment using rehabilitation counseling techniques and conducting vocational evaluations of disabled adults under the direct supervision of an independent vocational evaluator.

(d) "Vocational rehabilitation services" means those services required to determine if an employee can reasonably be expected to return to suitable gainful employment and those services reasonably necessary to provide an employee with the opportunity to return to suitable gainful employment. These services may include, but are not limited to, vocational and medical evaluation, counseling, job analysis, job modification assistance, retraining, including on-the-job training or training for alternative employment, formal training, academic instruction, and job placement assistance.

(e) "Vocational rehabilitation plan" means the written description of and rationale for the manner and means by which it is proposed that a qualified injured worker may be returned to suitable gainful employment. The plan may contemplate direct job placement assistance, on-the-job training, formal training, academic instruction, job placement assistance, or self-employment. The plan shall specify the anticipated completion date of vocational rehabilitation services and the amount and source of payments to be made to the qualified injured workers during the pendency of the plan. The plan shall also define the responsibilities of the employee, employer, qualified rehabilitation representative, and any other parties in implementing the plan. The plan may contemplate modification of the employee's occupation at the time of injury or provision for alternative work if the employer has initially failed or refused to provide modified or alternative work to the injured worker.

(f) "Suitable gainful employment" means that employment or self-employment which is reasonably attainable and which offers an opportunity to restore the employee as soon as practicable and as near as possible to maximum self-support, due consideration being given to the employee's qualifications, likely permanent disability, vocational interests and aptitudes, preinjury earnings and future earning capacity, and the present and projected labor market. No one factor shall be considered solely in determining suitable gainful employment.

SEC. 45. Section 4635.1 is added to the Labor Code, to read:

4635.1. (a) The Legislature finds and declares that vocational rehabilitation provides an important tool for the retraining of injured workers. However, it is equally important that this retraining should be provided in an efficient and cost-effective manner.

(b) The Legislature further finds that community colleges can provide a cost-effective alternative to existing vocational

rehabilitation services, and declares its intent to encourage the implementation of vocational rehabilitation services at community colleges.

SEC. 46. Section 4635.2 is added to the Labor Code, to read:

4635.2. The administrative director and the Chancellor of the Community Colleges shall establish a task force to create vocational rehabilitation schooling plans at the community colleges. This task force should focus on the underutilized potential of the schools to provide meaningful rehabilitation services in an affordable and cost-effective manner.

SEC. 47. Section 4636 of the Labor Code is amended to read:

4636. (a) When aggregate total disability continues for 90 days, the employer immediately shall provide to the employee in the form and manner prescribed by the administrative director, information that provides notice of rights under the Americans with Disabilities Act and the provisions of the Fair Employment and Housing Act relating to individuals with a disability, and that explains the employee's rights and obligations pertaining to vocational rehabilitation, the nature and scope of vocational rehabilitation services to which the employee may be entitled, the maintenance allowance payable under Section 139.5, the effect of any delay in the treating physician's determination of medical eligibility, and that additional information may be obtained from an information assistance officer. When aggregate total disability exceeds 90 days and the employee has not previously been identified as meeting the medical eligibility requirements of paragraph (1) of subdivision (a) of Section 4635, the employer shall provide the employee's treating physician with a job description, developed jointly with the employee and the employer, and the physical requirements of the employee's duties at the time of injury in the form and manner prescribed by the administrative director, and request the treating physician to determine the employee's medical eligibility for vocational rehabilitation services. The treating physician's determination of medical eligibility shall take into account the employee's current and probable future medical condition, an estimate of the employee's current and potential functional limitations, the ability of the employee to accept and participate in vocational rehabilitation services if and when indicated, recommendations for subsequent evaluation or services, if any, the ability of the employee to engage in light work in a modified or alternative capacity, if available, and other information as may reasonably be prescribed by rules and regulations of the administrative director.

(b) If the employee's treating physician is unable to make the assessment of medical eligibility at the time of initial contact, the employer shall continue to monitor the employee's recovery and request the treating physician to report as soon as the physician is able to determine whether the employee is medically eligible for vocational rehabilitation services. The treating physician shall report

to both the employer and the employee no less frequently than every 60 days thereafter. The report also shall include an opinion concerning the physical capabilities of the employee at the time of each report. The reports shall continue to be made until the physician provides a report concluding one of the following:

(1) The employee is released to return to work at his or her usual occupation or, if the employee was engaged in another occupation at the time of injury, the occupation the employee was engaged in at the time of injury.

(2) The employee's permanent disability as the result of the injury, whether or not combined with the effects of a prior injury or disability, if any, permanently precludes, or is likely to preclude, the employee from engaging in the employee's usual occupation or the occupation in which the employee was engaged at the time of injury.

(c) When aggregate total disability exceeds 365 days and the employee has not been previously identified as medically eligible for vocational rehabilitation, there shall be a rebuttable presumption that the employee is medically eligible for vocational rehabilitation services.

(d) Immediately upon receipt of the treating physician's final report required by this section, the employer shall provide a copy to the employee together with notice of the procedure to be followed in contesting the treating physician's determination. The notice shall be in writing in the form and manner prescribed by the administrative director, and shall include the following:

(1) Notice of whether the employer will be able or unable to offer modified or alternative work.

(2) Notice that the employee may be eligible for services if the employee is unable to return either to his or her usual occupation or the occupation in which he or she was engaged at the time of injury.

SEC. 48. Section 4638 of the Labor Code is amended to read:

4638. (a) If the employee is determined to be a qualified injured worker, and the employer notifies the injured worker, pursuant to paragraph (1) of subdivision (d) of Section 4636 that the employer will be unable to provide modified or alternative work to that injured worker, the qualified rehabilitation representative and the employee, jointly, shall develop an agreed-upon vocational rehabilitation plan.

Vocational rehabilitation plans which utilize an employee's transferable skills and experience shall be preferable to plans that propose training for an occupation in which the employee has no skills or experience.

An insured employer in whose employment the injury occurred shall receive a refund, payable in the same manner as a return of a standard insurance premium, from the insurer that provided the security for the payment of compensation on the date of injury when the employer, pursuant to Section 4644, returns the qualified injured worker to modified or alternative work at the employer's place of employment for 12 consecutive months. The refund shall be equal to

the standard premium computed on the wages paid by the employer to the qualified injured worker during the 12-month period and shall be calculated as follows: multiply the workers' compensation insurance premium rate times the wages reported for workers' compensation insurance for the qualified injured worker during that 12-month period. For this calculation, the workers' compensation insurance rate shall be the insurance premium rate or rates per one hundred dollars ($100) of payroll which were applicable to the payroll reported for the qualified injured worker during that 12-month period, modified by the experience modification factor or factors, if any, which were applicable to the employer during that 12-month period. During and after the 12-month period, the qualified injured worker shall be protected against discrimination pursuant to Section 132a.

(b) Within 90 days after determination of the employee's vocational feasibility, the employer shall do either of the following:

(1) Submit a vocational rehabilitation plan agreed to by the employee to the Office of Benefit Determination for review and approval.

(2) Request the Office of Benefit Determination to resolve any dispute concerning the provision of vocational rehabilitation services.

SEC. 50. Section 4642 of the Labor Code is amended to read:

4642. (a) If the employer fails to assign a qualified rehabilitation representative or to commence vocational rehabilitation service in a timely manner as required by Section 4637, or otherwise causes any delay in the provision of vocational rehabilitation services, the full maintenance allowance shall be paid in its entirety by the employer, including the amount payable under paragraph (2) of subdivision (d) of Section 139.5, for the period of the delay. The maintenance allowance and any costs attributable to the delay shall not be subject to the overall cap on vocational rehabilitation services provided for by Section 139.5.

(b) If the failure to meet the requirements of subdivision (a) is primarily the result of actions by the insurer, any increase in the costs that result shall be charged against the insurer's expenses.

SEC. 51. Section 4644 of the Labor Code is amended to read:

4644. (a) The liability of the employer for vocational rehabilitation services shall terminate when any of the following events occur:

(1) An employee who has received notice of potential eligibility to participate in a rehabilitation plan under Section 4637 declines vocational rehabilitation services in the form and manner prescribed by the administrative director.

(2) A qualified injured worker completes a vocational rehabilitation plan except as otherwise provided in subdivisions (c) and (d).

(3) The qualified injured worker unreasonably failed to complete a vocational rehabilitation plan.

(4) An employee has not requested vocational rehabilitation services within 90 days of the notification that the employee is medically eligible for vocational rehabilitation services. The liability of the employer for vocational rehabilitation services shall not terminate under this paragraph unless the employer, not earlier than 45 days nor later than 70 days after the employee's receipt of the notice required by Section 4637, reminds the employee of his or her right to vocational rehabilitation services or until the 21st day after the employee receives the reminder notification. The reminder notification shall be in writing, in the form and manner prescribed by the administrative director, and shall be served by certified mail. The provisions of this paragraph shall not apply if the employee shows he or she was unable to comprehend the consequences of failing to timely request vocational rehabilitation services, or that, because of conditions beyond the control of the employee, the employee was unable to exercise his or her right to accept or decline vocational rehabilitation services.

(5) The employer offers, and the employee accepts or rejects, in the form and manner prescribed by the administrative director, modified work lasting at least 12 months, provided that an employer who offers modified work that is available for the 12-month period required by this paragraph meets the requirements of this paragraph even if the employee voluntarily quits prior to the end of that 12-month period.

(6) The employer offers and the employee accepts or rejects, in the form and manner prescribed by the administrative director, alternative work meeting all of the following conditions:

(A) The employee has the ability to perform the essential functions of the job provided.

(B) The job provided is in a regular position lasting at least 12 months. An employer who offers alternative work that is available for the 12-month period required by this paragraph meets the requirements of this paragraph even if the employee voluntarily quits prior to the end of the 12-month period.

(C) The job provided offers wages and compensation that are within 15 percent of those paid to the employee at the time of injury.

(D) The job is located within reasonable commuting distance of the employee's residence at the time of injury.

(7) The employer offers, and the employee accepts, in the form and manner prescribed by the administrative director, work not meeting the conditions of paragraph (5) or (6) provided that the work lasts at least 12 months. The employee shall be required to reject the offer, in the form and manner prescribed by the administrative director, in order for the employee to be eligible for vocational rehabilitation services. An employer who offers work that is available for the 12-month period meets the requirements of this paragraph, even if the employee voluntarily quits prior to the end of that 12-month period.

(b) Nothing in this article shall preclude the deferral or

interruption of vocational rehabilitation services upon agreement of the employee and employer or, if no agreement can be reached, upon a good cause determination by the administrative director.

(c) Except as provided in this section, vocational rehabilitation plans prepared pursuant to Section 4638 shall be limited to one plan per injured worker. The plans shall be completed within an 18-month period after approval of the plan, and shall not include a period of job placement exceeding 60 days. The employee shall be entitled to one additional vocational rehabilitation plan only if the original plan is determined to be inappropriate due to one of the following:

(1) The employee's disability has deteriorated to the point where the worker is unable to meet the physical demands of the first plan.

(2) The first plan is disrupted due to circumstances beyond the control of the employee.

(3) Failure by the employer to provide timely service required by this article and the vocational rehabilitation plan when the plan has not been completed.

The cost of the original and the additional plan plus all other vocational rehabilitation costs shall not exceed the overall cap and the counselor fee cap established in subdivision (c) of Section 139.5.

(d) Notwithstanding subdivision (c), an employee may apply to the rehabilitation unit for approval of a second vocational rehabilitation plan which exceeds the overall cap provided for in subdivision (c) of Section 139.5 if all of the following conditions are met:

(1) The employee has a permanent disability rating of 25 percent or greater. In reaching this determination, the rehabilitation unit shall consider any treating physicians' reports.

(2) The first plan cannot be completed due to circumstances beyond the control of the employee.

(3) The rehabilitation unit finds that a second plan is necessary for the proper rehabilitation of the employee.

However, in no case shall the cost solely attributable to the second plan exceed the overall cap and the counseling fee cap contained in subdivision (c) of Section 139.5.

(e) Notwithstanding subdivision (c), an employee may receive a second vocational rehabilitation plan that exceeds the overall cap provided for in subdivision (c) of Section 139.5 if the rehabilitation unit finds that the employee cannot complete the plan because the school or other training facility has closed or the worker has a sudden and unexpected change in disability that renders the plan inappropriate or other similar circumstances.

(f) Notwithstanding paragraph (2) of subdivision (a), if a qualified injured worker returns to modified or alternative work with the same employer or to work with a different employer as a result of direct job placement assistance and that employment terminates, other than for cause, within 12 months of the date the employee was employed at the modified or alternative work, and if

that work is unavailable in the labor market, the employer shall be liable, subject to Section 4642, for additional vocational rehabilitation services, provided that the employer's liability for vocational rehabilitation services shall terminate if the employee voluntarily quits prior to the end of that 12-month period. To qualify for additional vocational rehabilitation services, the employee shall demonstrate an inability to compete for suitable gainful employment with his or her existing skills.

(g) An employer shall not be liable to provide vocational rehabilitation services at a location outside the state, unless upon agreement of the employer and the employee, or a determination by the Division of Workers' Compensation that those services are more cost-effective than similar services provided in the state.

SEC. 52. Section 4645 of the Labor Code is amended to read:

4645. (a) (1) For unrepresented employees, all disputed matters regarding the provision of vocational rehabilitation services shall be submitted initially to the Office of Benefit Determination for its recommendation except as otherwise provided in this section.

(2) For represented employees, all disputed matters shall be submitted to arbitration pursuant to Part 3.5 (commencing with Section 5270), except as otherwise provided in this section and Section 4643.

(b) Where the question of entitlement to vocational rehabilitation services is first raised before a workers' compensation judge and there are good faith issues which, if resolved against the employee, would defeat his or her right to all compensation, the judge shall determine the issues and, if appropriate, refer the question of entitlement to vocational rehabilitation services to the Office of Benefit Determination or arbitration for its recommendation.

(c) Where the question of entitlement to vocational rehabilitation services is first raised before a workers' compensation judge and there are no issues which would bar the employee's right to compensation, the judge shall refer the question of entitlement to the vocational rehabilitation services to the Office of Benefit Determination or arbitration for its recommendations before entering a finding, decision, or award on the issue of vocational rehabilitation.

(d) Any determination or recommendation of the Office of Benefit Determination or by the arbitrator shall be binding unless a petition is filed with the appeals board within 20 days after service of the determination or recommendation. Nothing in this section shall affect an employee's rights pursuant to Sections 5405.5, 5410, and 5803.

SEC. 52.5. Section 4659 of the Labor Code is amended to read:

4659. (a) If the permanent disability is at least 70 percent but less than 100 percent, 1.5 percent of the average weekly earnings for each 1 percent of disability in excess of 60 percent is to be paid during the remainder of life, after payment for the maximum number of weeks specified in Section 4658 has been made. For the purposes of this

subdivision only, average weekly earnings shall be taken at not more than one hundred seven dollars and sixty-nine cents ($107.69). For injuries occurring on or after July 1, 1994, average weekly wages shall not be taken at more than one hundred fifty-seven dollars and sixty-nine cents ($157.69). For injuries occurring on or after July 1, 1995, average weekly wages shall not be taken at more than two hundred seven dollars and sixty-nine cents ($207.69). For injuries occurring on or after July 1, 1996, average weekly wages shall not be taken at more than two hundred fifty-seven dollars and sixty-nine cents ($257.69).

(b) If the permanent disability is total, the indemnity based upon the average weekly earnings determined under Section 4453 shall be paid during the remainder of life.

SEC. 53. Section 4660 of the Labor Code is amended to read:

4660. (a) In determining the percentages of permanent disability, account shall be taken of the nature of the physical injury or disfigurement, the occupation of the injured employee, and his age at the time of such injury, consideration being given to the diminished ability of such injured employee to compete in an open labor market.

(b) The administrative director may prepare, adopt, and from time to time amend, a schedule for the determination of the percentage of permanent disabilities in accordance with this section. Such schedule shall be available for public inspection, and without formal introduction in evidence shall be prima facie evidence of the percentage of permanent disability to be attributed to each injury covered by the schedule.

(c) Any such schedule and any amendment thereto or revision thereof shall apply prospectively and shall apply to and govern only those permanent disabilities which result from compensable injuries received or occurring on and after the effective date of the adoption of such schedule, amendment or revision, as the fact may be.

(d) On or before January 1, 1995, the administrative director shall review and revise the schedule for the determination of the percentage of permanent disabilities. The revision shall include, but not be limited to, an updating of the standard disability ratings and occupations to reflect the current labor market. However, no change in standard disability ratings shall be adopted without the approval of the Commission of Health and Safety and Workers' Compensation. A proposed revision shall be submitted to the commission on or before July 1, 1994.

SEC. 53.5. Section 4702 of the Labor Code is amended to read:

4702. (a) Except as otherwise provided in this section and Sections 4553, 4554, 4557, and 4558, the death benefit in cases of total dependency shall be as follows:

(1) In the case of two or more total dependents and regardless of the number of partial dependents, ninety-five thousand dollars ($95,000), for injuries occurring on and after January 1, 1991, one hundred fifteen thousand dollars ($115,000), for injuries occurring on

or after July 1, 1994, one hundred thirty-five thousand dollars ($135,000), and for injuries occurring on or after July 1, 1996, one hundred forty-five thousand dollars ($145,000).

(2) In the case of one total dependent and one or more partial dependents, seventy thousand dollars ($70,000), or for injuries occurring on and after January 1, 1991, ninety-five thousand dollars ($95,000), for injuries occurring on or after July 1, 1994, one hundred fifteen thousand dollars ($115,000), and for injuries occurring on or after July 1, 1996, one hundred twenty-five thousand dollars ($125,000), plus four times the amount annually devoted to the support of the partial dependents, but not more than a total of ninety-five thousand dollars ($95,000), for injuries occurring on and after January 1, 1991, one hundred fifteen thousand dollars ($115,000), for injuries occurring on or after July 1, 1994, one hundred twenty-five thousand dollars ($125,000), and for injuries occurring on or after July 1, 1996, one hundred forty-five thousand dollars ($145,000).

(3) In the case of one total dependent and no partial dependents, seventy thousand dollars ($70,000), for injuries occurring on and after January 1, 1991, ninety-five thousand dollars ($95,000), for injuries occurring on or after July 1, 1994, one hundred fifteen thousand dollars ($115,000), and for injuries occurring on or after July 1, 1996, one hundred twenty-five thousand dollars ($125,000).

(4) In the case of no total dependents and one or more partial dependents, four times the amount annually devoted to the support of the partial dependents, but not more than seventy thousand dollars ($70,000), for injuries occurring on and after January 1, 1991, a total of ninety-five thousand dollars ($95,000), for injuries occurring on or after July 1, 1994, one hundred fifteen thousand dollars ($115,000), and for injuries occurring on or after July 1, 1996, one hundred twenty-five thousand dollars ($125,000).

(5) In the case of three or more total dependents and regardless of the number of partial dependents, one hundred fifty thousand dollars ($150,000) for injuries occurring on and after July 1, 1994, and one hundred sixty thousand dollars ($160,000) on or after July 1, 1996.

(b) The death benefit in all cases shall be paid in installments in the same manner and amounts as temporary total disability indemnity would have to be made to the employee, unless the appeals board otherwise orders. However, no payment shall be made at a weekly rate of less than two hundred twenty-four dollars ($224).

(c) Disability indemnity shall not be deducted from the death benefit and shall be paid in addition to the death benefit when the injury resulting in death occurs after September 30, 1949.

(d) All rights under this section existing prior to January 1, 1990, shall be continued in force.

SEC. 54. Part 3.2 (commencing with Section 5150) is added to Division 4 of the Labor Code, to read:

PART 3.2. WORKERS' COMPENSATION HEALTH CARE PROVIDER ORGANIZATION ACT

CHAPTER 1. GENERAL

5150. This part shall be known and may be cited as the Workers' Compensation Health Care Provider Organization Act of 1993.

5151. Responsibility for the administration and enforcement of this part is vested in the Commissioner of Corporations. All references to commissioner in this part shall be references to the Commissioner of Corporations and all references to department shall be references to the Department of Corporations.

5152. It is the intent of the Legislature that workers' compensation health care provider organizations be subject only to those antitrust prohibitions applicable to the conduct of other presumptively legitimate enterprises.

This section does not change existing antitrust law as it relates to any agreement or arrangement to exclude from any of the above-described groups, any person who is lawfully qualified to perform the services to be performed by the members of the group, where the ground for exclusion is failure to possess the same license or certification as is possessed by the members of the group.

5153. The commissioner shall consult with the Director of the Department of Industrial Relations prior to the adoption of regulations applicable to workers' compensation health care provider organizations subject to this part for the purpose of ensuring, to the extent practical, that there is consistency of regulations adopted by the director and the Commissioner of Corporations.

5154. In any proceeding under this part, the burden of providing an exemption or an exception from a definition is upon the person claiming it.

5155. (a) The commissioner may from time to time adopt, amend, and rescind such rules, forms, and orders as are necessary to carry out the provisions of this part, including rules governing applications and reports, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with the provisions of this part. For the purpose of rules and forms, the commissioner may classify persons and matters within the commissioner's jurisdiction, and may prescribe different requirements for different classes. The commissioner may waive any requirement of any rule or form in situations where in the commissioner's discretion such requirement is not necessary in the public interest or for the protection of the public, persons, or organizations subject to this part.

(b) The commissioner may honor requests from interested parties for interpretive opinions.

(c) No provision of this part imposing any liability applied to any act done or omitted in good faith in conformity with any rule, form,

order, or written interpretive opinion of the commissioner, or any such opinion of the Attorney General, notwithstanding that the rule, form, order, or written interpretive opinion may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

(d) Notwithstanding the provisions of the Administrative Procedure Act, the Legislature has determined that an emergency exists, and that to promote the public interest, the commissioner is authorized to adopt emergency regulations. After the public comment period required by the Administrative Procedure Act, the Office of Administrative Law shall, immediately upon receiving the regulations adopted by the commissioner, file the regulations with the Secretary of State for immediate effectiveness.

5156. As used in this part:

(a) "Advertisement" means any written or printed communication or any communication by means of recorded telephone messages or by radio, television, or similar communications media, published in connection with the offer or sale of health care contracts.

(b) "Authorize" means, and "authorized" refers to, an authorization as a workers' compensation health care provider organization pursuant to Section 5163. "Authorize" shall have no legal meaning outside of health care for occupational injuries or illnesses.

(c) "Commissioner" means the Commissioner of Corporations.

(d) "Disclosure form" means any certificate, agreement, contract, brochure, or other materials issued or otherwise disseminated to an employee and employer setting forth the workers' compensation health care, and terms of that care, as required to be provided by Sections 4600.3 and 4600.5 to which the employee is entitled.

(e) "Employee" means an individual who has elected to receive workers' compensation health care from an authorized workers' compensation health care provider organization.

(f) "Workers' compensation health care provider organization" or "organization" means a person organized to provide, either directly or indirectly, workers' compensation health care.

(g) "Provider" means any professional person or other person licensed by the state to deliver or furnish workers' compensation health care.

(h) "Person" means any person, individual, firm, association, organization, partnership, business trust, foundation, labor organization, corporation, public agency, or political subdivision of the state.

(i) "Service area" means a geographical area designated by the organization within which the organization shall provide workers' compensation health care.

(j) "Solicitation" means any presentation or advertising conducted by, or on behalf of, an organization, where information

regarding the organization, or workers' compensation health care offered and charges therefor, is disseminated for the purpose of inducing persons to subscribe to, or enroll in, the organization.

(k) "Solicitor" means any person who engages in the acts defined in subdivision (j).

(*l*) "Solicitor firm" means any person, other than an organization, who through one or more solicitors, engages in the acts defined in subdivision (k).

(m) "Workers' compensation health care" or "health care" means those services, treatment, and care for work-related injuries required by this code.

(n) All references in this part to financial statements, assets, liabilities, and other accounting items mean such financial statements and accounting items prepared or determined in accordance with generally accepted accounting principles, and fairly presenting the matters which they purport to present, subject to any specific requirement imposed by this part or by the commissioner.

CHAPTER 2. ADMINISTRATION

5157. The commissioner shall administer and enforce this part. The commissioner shall have the following powers:

(a) Recommend and propose the enactment of any legislation necessary to protect and promote the interests of the public, subscribers, enrollees, and providers of workers' compensation health care in workers' compensation health care provider organizations in the State of California.

(b) Provide information to federal and state legislative committees and executive agencies concerning organizations.

(c) Assist, advise, and cooperate with federal, state, and local agencies and officials to protect and promote the interests of organizations, employees, and the public.

(d) Study, investigate, research, and analyze matters affecting the interests of organizations, employees, and the public.

(e) Hold public hearings, subpoena witnesses, take testimony, compel the production of books, papers, documents, and other evidence, and call upon other state agencies for information to implement the purposes of and to enforce this part.

(f) Conduct audits and examinations of the books and records of organizations and other persons subject to this part, and may prescribe by rule or order the following:

(1) The form and contents of financial statements required under this part.

(2) The circumstances under which consolidated statements shall be filed.

(3) The circumstances under which financial statements shall be audited by independent certified public accountants or public accountants.

(g) Conduct necessary onsite medical surveys of the health care

(*l*) A description of organization grievance procedures to be utilized as required by this part, and a copy of the form specified by subdivision (c) of Section 5178.

(m) A description of the procedures and programs for internal review of the quality of health care pursuant to the requirements set forth in this part.

(n) Evidence of adequate insurance coverage or self-insurance to respond to claims for damages arising out of the furnishing of workers' compensation health care.

(o) Evidence of adequate insurance coverage or self-insurance to protect against losses of facilities where required by the commissioner.

(p) Evidence of adequate workers' compensation coverage to protect against claims arising out of work-related injuries that might be brought by the employees and staff of an organization against the organization.

(q) Such other information as the commissioner may reasonably require.

5160. In addition to the requirements of Section 5159 and upon request of the commissioner, each application shall be accompanied by authorization for disclosure to the commissioner of financial records of each organization authorized under this part pursuant to Section 7473 of the Government Code. For the purpose of this part, the authorization for disclosure shall also include the financial records of any association, partnership, or corporation controlling, controlled by, or otherwise affiliated with an organization.

5161. (a) An authorized organization shall, within 30 days after any change in the information contained in its application, other than financial or statistical information, file an amendment thereto in the manner the commissioner may by rule prescribe setting forth the changed information. However, the addition of any association, partnership, or corporation in a controlling, controlled, or affiliated status relative to the organization shall necessitate the filing, within a 30-day period, of an authorization for disclosure to the commissioner of financial records of the person pursuant to Section 7473 of the Government Code.

(b) Prior to any material modification of its contracts or operations, an organization shall give notice thereof to the commissioner, who shall, within 20 business days or such additional time as the organization may specify, by order approve, disapprove, suspend, or postpone the effectiveness of any such change, subject to Section 5164.

(c) An organization shall, within five days, give written notice to the commissioner in the form as by rule may be prescribed, of any change in the officers, directors, partners, controlling shareholders, principal creditors, or persons occupying similar positions or performing similar functions, of the organization and of any management company of the organization, and of any parent company of the organization or management company. The

applicant and any provider of health care, or persons listed in subdivision (c), or any other person or organization agreeing to perform an administrative function or service for the plan. The commissioner by rule may identify contracts excluded from this requirement and make provision for the submission of form contracts. The payment rendered to or to be rendered to such provider of health care services shall be deemed confidential information that shall not be divulged by the commissioner, except that such payment may be disclosed and become a public record in any legislative, administrative, or judicial proceeding or inquiry. The organization shall also submit the name and address of each provider employed by or contracting with the organization, together with his or her license number.

(e) A statement describing the organization, its method of providing for health services, and its physical facilities. If applicable, this statement shall include the health care delivery capabilities of the organization, including the number of full-time and part-time physicians under Section 3209.3, the numbers and types of licensed or state-certified health care support staff, the number of hospital beds contracted for, and the arrangements and the methods by which health care will be provided, as defined by the Administrative Director of the Department of Industrial Relations under Sections 4600.3 and 4600.5.

(f) A copy of the disclosure forms or materials which are to be issued to employees.

(g) A copy of the form of the contract which is to be issued to any employer, insurer of an employer, or a group of self-insured employers.

(h) Financial statements accompanied by a report, certificate, or opinion of an independent certified public accountant. However, financial statements from public entities or political subdivisions of the state need not include a report, certificate, or opinion by an independent certified public accountant if the financial statement complies with such requirements as may be established by regulation of the commissioner.

(i) A description of the proposed method of marketing the organization and a copy of any contract made with any person to solicit on behalf of the organization or a copy of the form of agreement used and a list of the contracting parties.

(j) A power of attorney duly executed by any applicant, not domiciled in this state, appointing the commissioner the true and lawful attorney in fact of such applicant in this state for the purposes of service of all lawful process in any legal action or proceeding against the organization on a cause of action arising in this state.

(k) A statement describing the service area or areas to be served, including the service location for each provider rendering professional services on behalf of the organization and the location of any other organization facilities where required by the commissioner.

(*l*) A description of organization grievance procedures to be utilized as required by this part, and a copy of the form specified by subdivision (c) of Section 5178.

(m) A description of the procedures and programs for internal review of the quality of health care pursuant to the requirements set forth in this part.

(n) Evidence of adequate insurance coverage or self-insurance to respond to claims for damages arising out of the furnishing of workers' compensation health care.

(o) Evidence of adequate insurance coverage or self-insurance to protect against losses of facilities where required by the commissioner.

(p) Evidence of adequate workers' compensation coverage to protect against claims arising out of work-related injuries that might be brought by the employees and staff of an organization against the organization.

(q) Such other information as the commissioner may reasonably require.

5160. In addition to the requirements of Section 5159 and upon request of the commissioner, each application shall be accompanied by authorization for disclosure to the commissioner of financial records of each organization authorized under this part pursuant to Section 7473 of the Government Code. For the purpose of this part, the authorization for disclosure shall also include the financial records of any association, partnership, or corporation controlling, controlled by, or otherwise affiliated with an organization.

5161. (a) An authorized organization shall, within 30 days after any change in the information contained in its application, other than financial or statistical information, file an amendment thereto in the manner the commissioner may by rule prescribe setting forth the changed information. However, the addition of any association, partnership, or corporation in a controlling, controlled, or affiliated status relative to the organization shall necessitate the filing, within a 30-day period, of an authorization for disclosure to the commissioner of financial records of the person pursuant to Section 7473 of the Government Code.

(b) Prior to any material modification of its contracts or operations, an organization shall give notice thereof to the commissioner, who shall, within 20 business days or such additional time as the organization may specify, by order approve, disapprove, suspend, or postpone the effectiveness of any such change, subject to Section 5164.

(c) An organization shall, within five days, give written notice to the commissioner in the form as by rule may be prescribed, of any change in the officers, directors, partners, controlling shareholders, principal creditors, or persons occupying similar positions or performing similar functions, of the organization and of any management company of the organization, and of any parent company of the organization or management company. The

commissioner may by rule define the positions, duties, and relationships which are referred to in this subdivision.

(d) The fee for filing a notice of major modification pursuant to subdivision (b) shall be the actual cost to the commissioner of processing the notice, including overhead, but shall not exceed seven hundred fifty dollars ($750).

5162. (a) Except as provided in subdivision (b), no organization shall enter into any new or modified contract or publish or distribute, or allow to be published or distributed on its behalf, any disclosure form, unless (1) a true copy thereof has first been filed with the commissioner, at least 30 days prior to any such use, or any shorter period as the commissioner by rule or order may allow, and (2) the commissioner by notice has not found the contract, disclosure form, or evidence of coverage wholly or in part, to be untrue, misleading, deceptive, or otherwise not in compliance with this part or the rules thereunder, and specified the deficiencies, within at least 30 days or any shorter time as the commissioner by rule or order may allow.

(b) Except as provided in subdivision (c), an authorized organization which has been continuously authorized under this part for the preceding 18 months and which has had group contracts in effect at all times during that period may enter a new or modified contract or may publish or distribute, or allow to be published or distributed on its behalf, any disclosure form without having filed the same for the commissioner's prior approval, if the contracts and the materials comply with each of the following conditions:

(1) The contract, disclosure form, or any material provision thereof, has not been previously disapproved by the commissioner by written notice to the organization and the organization reasonably believes that the contract and disclosure form do not violate any requirements of this part or the rules thereunder.

(2) The organization files the contract and any related disclosure form with the commissioner not later than 10 business days after entering the contract, or within any additional period as the commissioner by rule or order may provide.

(c) The commissioner by order may require an organization which has entered any contract or published or distributed, or allowed to be published or distributed on its behalf, any disclosure form in violation of this part or the rules thereunder to comply with subdivision (a) prior to entering contracts and prior to publishing or distributing, or allowing to be published or distributed on its behalf, related disclosure forms. An order issued pursuant to this subdivision shall be effective for 12 months from its issuance, and may be renewed by order if the contracts or disclosure forms submitted under this subdivision indicate difficulties of voluntary compliance with the applicable provisions of this part and the rules thereunder.

(d) An authorized organization or other person regulated under this part may, within 30 days after receipt of any notice or order under this section, file a written request for a hearing with the commissioner.

5163. (a) The commissioner shall issue an authorization to any person filing an application pursuant to this chapter, if the commissioner, upon due consideration of the application and of the information obtained in any investigation, including, if necessary, an onsite inspection, determines that the applicant has satisfied the provisions of this part and that, in the judgment of the commissioner, a disciplinary action pursuant to Section 5191 would not be warranted against such applicant. Otherwise, the commissioner shall deny the application.

(b) Prior to the operative date of this part, an applicant may file an application for authorization on the first five business days of the fourth month prior to the operative date. The commissioner shall provide a written comment letter to the applicant within the 60-day period from the date of the filing of an application.

5164. Upon denial of application for authorization, or the issuance of an order pursuant to Section 5161 disapproving, suspending, or postponing a material modification, the commissioner shall notify the applicant in writing, stating the reason for the denial and that the applicant has the right to a hearing if the applicant makes written request within 30 days after the date of mailing of the notice of denial. Service of the notice required by this subdivision may be made by certified mail addressed to the applicant at the latest address filed by the applicant in writing with the department.

5165. Every organization's authorization issued under this part shall remain in effect until revoked or suspended by the commissioner.

5166. (a) Each organization applying for licensure under this part shall reimburse the commissioner for the actual cost of processing the application, including overhead, up to an amount not to exceed twelve thousand five hundred dollars ($12,500). The cost shall be billed not more frequently than monthly and shall be remitted by the applicant to the commissioner within 30 days of the date of billing. The commissioner shall not issue a license to any applicant prior to receiving payment in full for all amounts charged pursuant to this subdivision.

(b) In addition to other fees and reimbursements required to be paid under this part, each organization authorized under this part shall pay to the commissioner an amount as estimated by the commissioner for the ensuing fiscal year, as a reimbursement of its share of all costs and expenses, including routine financial examinations, medical surveys, and overhead, reasonably incurred in the administration of this part and not otherwise recovered by the commissioner under this part or from the State Corporations Fund. The amount may be paid in two equal installments. The first installment shall be paid on or before July 1 of each year, and the second installment shall be paid on or before December 15 of each year.

(c) The amount paid by each organization shall be an amount calculated by multiplying a number which equals the ratio of the

gross revenues of the organization attributable to the provisions of workers' compensation health care as of the preceding March 31 to the total gross revenues attributable to the provision of workers' compensation health care of all of those organizations for the same period multiplied by the total assessment for the ensuing year. An additional assessment shall be imposed during the first four years to pay back the initial loan to the Department of Corporations for implementation of this act. The assessment shall be fixed by the commissioner by notice to all organizations authorized under this part on or before May 15 of each year.

In determining the amount assessed, the commissioner shall consider all appropriations from the State Corporations Fund for the support of this part and all reimbursements provided for in this part.

(d) In no case shall the reimbursement, payment, or other fee authorized by this section exceed the cost, including overhead, reasonably incurred in the administration of this part.

(e) During the first 12 months after the operative date of this part, the commissioner may levy a special assessment at the end of the first six months from the operative date to cover unanticipated costs of administration of this part, over and above the initial appropriation from the General Fund as provided for in this chapter. The assessment shall be calculated pursuant to subdivision (c) and shall be paid by the organization within 30 days of notice of the assessment. Funds deposited in the State Corporations Fund from this special assessment shall be immediately appropriated from that fund to the commissioner for the support of this part.

5167. Notwithstanding subdivision (e) of Section 4876, if the commissioner determines that the charges and assessments set forth in this part for any year are in excess of the amount necessary, or are insufficient, to meet the expenses of administration of this part, for that year, the assessments and charges for the following year shall be adjusted on a pro rata basis in accordance with the percentage of the excess or insufficiency as related to the actual charges and assessments for the year for which the excess or insufficiency occurred, in order to recover the actual costs of administration.

CHAPTER 4. SOLICITORS

5168. (a) The commissioner may require that solicitors and solicitor firms, and principal persons engaged in the supervision of solicitation for organizations of solicitor firms, meet such reasonable and appropriate standards with respect to training, experience, and other qualifications as the commissioner finds necessary and appropriate in the public interest or for the protection of organizations and employees. For such purposes, the commissioner may do the following:

(1) Appropriately classify such persons and individuals.

(2) Specify that all or any portion of such standards shall be applicable to any such class.

(3) Require individuals in any such class to pass examinations prescribed in accordance with such rules.

(b) The commissioner may prescribe by rule reasonable fees and charges to defray the costs of carrying out this section, including, but not limited to, fees for any examination administered by the commissioner or under his or her direction.

(c) The commissioner may consult with the Director of the Department of Industrial Relations and the Industrial Medical Council in promulgating advertising requirements in order to minimize duplicative requirements under Sections 139.4, 139.43, and 139.45.

5169. (a) No organization, solicitor, solicitor firm, or representative shall use or permit the use of any advertising or solicitation which is untrue or misleading, or any form of disclosure that is deceptive. For purposes of this chapter:

(1) A written or printed statement or item of information shall be deemed untrue if it does not conform to fact in any respect which is or may be significant to an employer or employee, or potential employer or employee.

(2) A written or printed statement or item of information shall be deemed misleading whether or not it may be literally true, if, in the total context in which the statement is made or such item of information is communicated, such statement or item of information may be understood by a person not possessing special knowledge regarding health care coverage, as indicating any benefit or advantage, or the absence of any exclusion, limitation, or disadvantage of possible significance to an employer or employee, or potential employer or employee.

(3) A disclosure form shall be deemed to be deceptive if the disclosure form taken as a whole and with consideration given to typography and format, as well as language, shall be such as to cause a reasonable person, not possessing special knowledge of workers' compensation health care, and the disclosure form therefor, to expect benefits, service charges, or other advantages which the disclosure form does not provide or which the organization issuing such disclosure form does not regularly make available to employees.

(b) No organization, solicitor, or representative shall use or permit the use of any verbal statement which is untrue, misleading, or deceptive or make any representations about health care offered by the organization or its cost that does not conform to fact. All verbal statements are to be held to the same standards as those for printed matter provided in subdivision (a).

5170. It is unlawful for any person, including an organization, subject to this part to represent or imply in any manner that the person or organization has been sponsored, recommended, or approved, or that the person's or organization's abilities or qualifications have in any respect been passed upon, by the commissioner.

5171. (a) Except as provided in subdivision (b), no organization

shall publish or distribute, or allow to be published or distributed on its behalf, any advertisement not subject to Section 5162 unless (1) a true copy thereof has first been filed with the commissioner, at least 30 days prior to any such use, or any shorter period as the commissioner by rule or order may allow, and (2) the commissioner by notice has not found the advertisement, wholly or in part, to be untrue, misleading, deceptive, or otherwise not in compliance with this part or the rules thereunder, and specified the deficiencies, within the 30 days or any shorter time as the commissioner by rule or order may allow.

(b) Except as provided in subdivision (c), an authorized organization which has been continuously authorized under this part for the preceding 18 months may publish or distribute or allow to be published or distributed on its behalf an advertisement not subject to Section 5162 without having filed the same for the commissioner's prior approval, if the organization and the material comply with each of the following conditions:

(1) The advertisement or a material provision thereof has not been previously disapproved by the commissioner by written notice to the organization and the organization reasonably believes that the advertisement does not violate any requirement of this part or the rules thereunder.

(2) The organization files a true copy of each new or materially revised advertisement, used by it or by any person acting on behalf of the organization, with the commissioner not later than 10 business days after publication or distribution of the advertisement or within such additional period as the commissioner may allow by rule or order.

(c) If the commissioner finds that any advertisement of an organization has materially failed to comply with this part or the rules thereunder, the commissioner may, by order, require the organization to publish in the same or similar medium, an approved correction or retraction of any untrue, misleading, or deceptive statement contained in the advertising, and may prohibit the organization from publishing or distributing, or allowing to be published or distributed on its behalf, the advertisement or any new materially revised advertisement without first having filed a copy thereof with the commissioner, 30 days prior to the publication or distribution thereof, or any shorter period specified in the order. An order issued under this subdivision shall be effective for 12 months from its issuance, and may be renewed by order if the advertisements submitted under this subdivision indicate difficulties of voluntary compliance with the applicable provisions of this part and the rules thereunder.

(d) An authorized organization or other person regulated under this part may, within 30 days after receipt of any notice or order under this section, file a written request for a hearing with the commissioner.

(e) The commissioner by rule or order may classify organizations

and advertisements and exempt certain classes, wholly or in part, either unconditionally or upon specified terms and conditions or for specified periods, from the application of subdivisions (a) and (b).

5172. As used in Sections 5173 and 5174:

(a) "Presenting for examination or sale" means either (1) publication and dissemination of any brochure, mailer, advertisement, or form which constitutes a presentation of the provisions of a contract and which provides an organization enrollment or application form, or (2) consultations or discussions between prospective organization members or their contract agents and solicitors or representatives of an organization, when such consultations or discussions include presentation of formal, organized information about the organization which is intended to influence or inform the prospective employer, such as brochures, summaries, charts, slides, or other modes of information.

(b) "Disclosure form" means the disclosure form, material, or information required pursuant to Section 5173.

5173. (a) The commissioner shall require the use by each organization of disclosure forms or materials containing such information regarding the health care and terms of the workers' compensation health care contract as the commissioner may require, so as to afford the public, employers, and employees with a full and fair disclosure of the provisions of the contract in readily understood language and in a clearly organized manner. The commissioner may require that the materials be presented in a reasonably uniform manner so as to facilitate comparisons between contracts of the same or other types of organizations. The disclosure form shall describe the health care that is required by the Director of the Department of Industrial Relations under Sections 4600.3 and 4600.5, and shall provide that all information be in concise and specific terms, relative to the contract, together with such additional information as may be required by the commissioner, in connection with the organization or contract.

(b) All organizations, solicitors, and representatives of a medical group shall, when presenting any contract for examination or sale to a prospective employee, provide the employee with a properly completed disclosure form, as prescribed by the commissioner pursuant to this section for each contract so examined or sold.

(c) In addition to the other disclosures required by this section, every organization and any agent or employee of the organization shall, when representing an organization for examination or sale to any individual purchaser or the representative of a group consisting of 25 or fewer individuals, disclose in writing the ratio of premium costs to health care paid for contracts with individuals and with groups of the same or similar size for the organization's preceding fiscal year. An organization may report that information by geographic area, provided the organization identifies the geographic area and reports information applicable to that geographic area.

5174. Where the commissioner finds it necessary in the interest

of full and fair disclosure, all advertising and other consumer information disseminated by an organization for the purpose of influencing persons to become members of an organization shall contain such supplemental disclosure information as the commissioner may require.

5175. (a) No organization shall refuse to enter into any contract or shall cancel or decline to renew or reinstate any contract because of the race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, or age of any contracting party, prospective contracting party, or person reasonably expected to benefit from that contract as an employee or otherwise.

(b) The terms of any contract shall not be modified, and the benefits or coverage of any contract shall not be subject to any limitations, exceptions, exclusions, reductions, copayments, coinsurance, deductibles, reservations, or premium, price, or charge differentials, or other modifications because of the race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, or age of any contracting party, potential contracting party, or person reasonably expected to benefit from that contract as an employee or otherwise; except that premium, price, or charge differentials because of the sex or age of any individual when based on objective, valid, and up-to-date statistical and actuarial data are not prohibited. Nothing in this section shall be construed to permit an organization to charge different rates to individual employees within the same group solely on the basis of the employee's sex.

(c) It shall be deemed a violation of subdivision (a) for any organization to utilize marital status, living arrangements, occupation, gender, beneficiary designation, ZIP Codes or other territorial classification, or any combination thereof for the purpose of establishing sexual orientation. Nothing in this section shall be construed to alter in any manner the existing law prohibiting organizations from conducting tests for the presence of human immunodeficiency virus or evidence thereof.

(d) This section shall not be construed to limit the authority of the commissioner to adopt or enforce regulations prohibiting discrimination because of sex, marital status, or sexual orientation.

5176. (a) No organization may use in its name, any of the words "insurance," "casualty," "health care service plan," "health plan," "surety," "mutual," or any other words descriptive of the health plan, insurance, casualty, or surety business or use any name similar to the name or description of any health care service plan, insurance, or surety corporation doing business in this state unless such organization controls or is controlled by an entity licensed as a health care service plan or insurer pursuant to the provisions of the Health and Safety Code or the Insurance Code and the organization employs a name related to that of such controlled or controlling entity.

(b) Section 2415 of the Business and Professions Code, pertaining to fictitious names, shall not apply to organizations.

(c) No organization or solicitor firm may adopt a name style that is deceptive, or one that could cause the public to believe the organization is affiliated with or recommended by any governmental or private entity unless such affiliation or endorsement exists.

CHAPTER 5. STANDARDS

5177. Each organization shall meet the following requirements:

(a) All facilities located in this state, including, but not limited to, clinics, hospitals, and skilled nursing facilities, to be utilized by the organization shall be licensed by the State Department of Health Services, if such licensure is required by law. Facilities not located in this state shall conform to all licensing and other requirements of the jurisdiction in which they are located.

(b) All personnel employed by or under contract to the organization shall be licensed or certified by their respective board or agency, where such licensure or certification is required by law.

(c) All equipment required to be licensed or registered by law shall be so licensed or registered and the operating personnel for such equipment shall be licensed or certified as required by law.

(d) The organization shall furnish services in a manner providing continuity of care and ready referral of patients to other providers at such times as may be appropriate consistent with good professional practice.

(e) All health care shall be readily available at reasonable times to all employees. To the extent feasible, the organization shall make all health care readily accessible to all employees.

(f) The organization shall employ and utilize allied health manpower for the furnishing of health care to the extent permitted by law and consistent with good health care practice.

(g) The organization shall have the organizational and administrative capacity to provide services to employees. The organization shall be able to demonstrate to the department that health care decisions are rendered by qualified providers, unhindered by fiscal and administrative management.

(h) All contracts with employers, insurers of employers, and self-insured employers and all contracts with providers, and other persons furnishing services, equipment, or facilities to or in connection with the medical group, shall be fair, reasonable, and consistent with the objectives of this part.

(i) Each organization shall provide to employees all workers' compensation health care required by this code. The commissioner shall not determine the scope of workers' compensation health care to be offered by an organization.

5178. (a) Every organization shall establish and maintain a grievance system approved by the commissioner under which employees may submit their grievances to the organization. Each system shall provide reasonable procedures in accordance with regulations adopted by the commissioner which shall ensure

adequate consideration of employee grievances and rectification when appropriate.

(b) Every organization shall inform employees upon enrollment and annually thereafter of such procedures for processing and resolving grievances. Such information shall include the location and telephone number where grievances may be submitted.

(c) Every organization shall provide forms for complaints to be given to employees who wish to register written complaints. The forms used by organizations authorized pursuant to Section 5163 shall be approved by the commissioner in advance as to format.

(d) The organization shall keep in its files all copies of complaints, and the responses thereto, for a period of five years.

5179. Every organization shall establish procedures in accordance with department regulations for continuously reviewing the quality of care, performance of medical personnel, utilization of services and facilities, and costs. Notwithstanding any other provision of law, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any person who participates in quality of care or utilization reviews by peer review committees which are composed chiefly of physicians, as defined by Section 3209.3, for any act performed during the reviews if the person acts without malice, has made a reasonable effort to obtain the facts of the matter, and believes that the action taken is warranted by the facts, and neither the proceedings nor the records of the reviews shall be subject to discovery, nor shall any person in attendance at the reviews be required to testify as to what transpired thereat. Disclosure of the proceedings or records to the governing body of an organization or to any person or entity designated by the organization to review activities of the committees shall not alter the status of the records or of the proceedings as privileged communications.

The above prohibition relating to discovery or testimony shall not apply to the statements made by any person in attendance at a review who is a party to an action or proceeding the subject matter of which was reviewed, or to any person requesting hospital staff privileges, or in any action against an insurance carrier alleging bad faith by the carrier in refusing to accept a settlement offer within the policy limits, or to the commissioner in conducting surveys pursuant to Section 5186.

This section shall not be construed to confer immunity from liability on any medical group. In any case in which, but for the enactment of the preceding provisions of this section, a cause of action would arise against an organization, the cause of action shall exist notwithstanding the provisions of this section.

5180. Nothing in this chapter shall be construed to prevent an organization from utilizing subcommittees to participate in peer review activities, nor to prevent a plan from delegating the responsibilities required by Section 5179 as it determines to be appropriate, to subcommittees including subcommittees composed

of a majority of nonphysician health care providers licensed pursuant to the Business and Professions Code, as long as the organization controls the scope of authority delegated and may revoke all or part of this authority at any time. Persons who participate in the subcommittees shall be entitled to the same immunity from monetary liability and actions for civil damages as persons who participate in organization or provider peer review committees pursuant to Section 5179.

CHAPTER 6. REGULATION

5181. (a) Every organization shall have and shall demonstrate to the commissioner that it has all of the following:

(1) A fiscally sound operation.

(2) Adequate provision for continuity of care.

(3) A procedure for prompt payment and denial of provider claims.

(b) In determining whether the conditions of this section have been met, the commissioner shall consider, but not be limited to, the following:

(1) The financial soundness of the organization's arrangements for health care and the schedule of rates and charges used by the organization.

(2) The adequacy of working capital.

(3) Agreements with providers for the provision of health care.

5182. (a) No organization shall conduct any activity regulated by this part in contravention of such rules and regulations as the commissioner may prescribe as necessary or appropriate in the public interest or for the protection of organizations and employees to provide safeguards with respect to the requirements of the preceding section.

(b) Each solicitor and solicitor firm shall handle funds received for the account of medical groups, subscribers, or groups in accordance with such rules as the commissioner may adopt pursuant to this subdivision.

5183. (a) No organization shall provide or undertake to arrange for the provision of health care to employees, or to pay for or to reimburse any part of the cost for such health care in return for a prepaid or periodic charge paid by or on behalf of such employees.

(b) Every organization shall operate on a "fee-for-service" basis. As used in this part, "fee-for-service" refers to the situation where the amount of reimbursement paid by the employee to the organization or providers of health care is determined by the amount and type of health care rendered by the organization or provider of health care.

(c) An authorized organization is prohibited from assuming risk.

5184. No organization shall expend for administrative costs in any fiscal year an excessive amount of the aggregate payments received by the organization for providing health care to employees. The term "administrative costs," as used herein, includes costs incurred

in connection with the solicitation of subscribers or enrollees for the organization.

This section shall not preclude an organization from expending additional sums of money for administrative costs provided such money is not derived from revenue obtained from subscribers or enrollees of the organization.

5185. Every contract between an organization and an employer or insurer of an employer, and every contract between an organization and a provider of health care, shall be in writing.

5186. (a) The commissioner shall conduct periodically an onsite medical survey of the health care delivery system of each organization. The survey shall include a review of the procedures for obtaining health care, the procedures for regulating utilization, peer review mechanisms, internal procedures for assuring quality of care, and the overall performance of the organization in providing health care and meeting the health needs of employees.

(b) The survey shall be conducted by a panel of qualified health professionals experienced in evaluating the delivery of workers' compensation health care. The commissioner shall be authorized to contract with professional organizations or outside personnel to conduct medical surveys. These organizations or personnel shall have demonstrated the ability to objectively evaluate the delivery of such health care.

(c) Surveys performed pursuant to this section shall be conducted as often as deemed necessary by the commissioner to assure the protection of employees, but not less frequently than once every five years. Nothing in this section shall be construed to require the survey team to visit each clinic, hospital office, or facility of the organization.

(d) Nothing in this section shall be construed to require the medical survey team to review peer review proceedings and records conducted and compiled under Section 5179 or medical records. However, the commissioner shall be authorized to require onsite review of these peer review proceedings and records or medical records where necessary to determine that quality health care is being delivered to employees. Where medical record review is authorized, the survey team shall ensure that the confidentiality of the physician-patient relationship is safeguarded in accordance with existing law and neither the survey team nor the commissioner or the commissioner's staff may be compelled to disclose such information except in accordance with the physician-patient relationship. The commissioner shall ensure that the confidentiality of the peer review proceedings and records is maintained. The disclosure of the peer review proceedings and records to the commissioner or the medical survey team shall not alter the status of the proceedings or records as privileged and confidential communications pursuant to Sections 5179 and 5180.

(e) The procedures and standards utilized by the survey team shall be made available to the organizations prior to the conducting of medical surveys.

(f) During the survey, the members of the survey team shall offer such advice and assistance to the organization as deemed appropriate.

(g) The commissioner shall notify the organization of deficiencies found by the survey team. The commissioner shall give the organization a reasonable time to correct the deficiencies, and failure on the part of the organization to comply to the commissioner's satisfaction shall constitute cause for disciplinary action against the organization.

(h) Reports of all surveys, deficiencies, and correction plans shall be open to public inspection, except that no surveys, deficiencies, or correction plans shall be made public unless the organization has had an opportunity to review the survey and file a statement or response within 30 days, to be attached to the report. Deficiencies shall not be made public if they are corrected within 30 days of the date that the organization was notified.

(i) Nothing in this section shall be construed as affecting the commissioner's authority pursuant to Chapter 7 (commencing with Section 5191) or Chapter 8 (commencing with Section 5195).

5187. (a) All records, books, and papers of an organization, management company, solicitor, solicitor firm, and any provider or subcontractor providing medical or other services to an organization, management company, solicitor, or solicitor firm shall be open to inspection during normal business hours by the commissioner.

(b) To the extent feasible, all such records, books, and papers described in subdivision (a) shall be located in this state. In examining such records outside this state, the commissioner shall consider the cost to the organization, consistent with the effectiveness of the commissioner's examination, and may upon reasonable notice require that such records, books, and papers, or a specified portion thereof, be made available for examination in this state, or that a true and accurate copy of such records, books, and papers, or a specified portion thereof, be furnished to the commissioner.

5188. (a) The commissioner shall conduct an examination of the fiscal and administrative affairs of any organization, and each person with whom the organization has made arrangements for administrative, management, or financial services, as often as deemed necessary to protect the interest of employees, but not less frequently than once every five years.

(b) The expense of conducting any additional or nonroutine examinations pursuant to this section, and the expense of conducting any additional or nonroutine medical surveys pursuant to Section 5186 shall be charged against the organization being examined or surveyed. The amount shall include the actual salaries or compensation paid to the persons making the examination or survey, the expenses incurred in the course thereof, and overhead costs in connection therewith as fixed by the commissioner. In determining the cost of examinations or surveys, the commissioner may use the

estimated average hourly cost for all persons performing examinations or surveys of medical groups for the fiscal year. The amount charged shall be remitted by the organization to the commissioner. If recovery of these costs cannot be made from the organization, these costs may be added to, but subject to the limitation of, the assessment provided for in subdivision (b) of Section 5166.

(c) Reports of all examinations shall be open to public inspection, except that no examination shall be made public, unless the organization has had an opportunity to review the examination report and file a statement or response within 30 days, to be attached to the report. Deficiencies shall not be made public if they are corrected within 30 days of the date that the organization was notified of the deficiency.

(d) Upon receipt of the written request of the Director of the Department of Industrial Relations, the commissioner may, consistent with Section 6254.5 of the Government Code, permit the Department of Industrial Relations to review the organization's examination report.

5189. (a) Within 90 days after receipt of a request from the commissioner, an organization or other person subject to this part shall submit to the commissioner an audit report containing audited financial statements covering the 12 calendar months next preceding the month of receipt of the request, or such other period as the commissioner may require.

(b) An organization whose authorization has been surrendered or revoked shall submit to the commissioner on or before 105 days after the effective date of such surrender or revocation, a closing audit report containing audited financial statements as of such effective date for the 12 months ending with such effective date, or for such other period as the commissioner may specify. Such report shall include other relevant information as specified by rule of the commissioner.

(c) Each organization shall submit financial statements prepared as of the close of its fiscal year within 120 days after the close of such fiscal year. The financial statements referred to in this subdivision and in subdivisions (a) and (b) shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant. The audits shall be conducted in accordance with generally accepted auditing standards and the rules and regulations of the commissioner. However, financial statements from public entities or political subdivisions of the state need not include a report, certificate, or opinion by an independent certified public accountant or independent public accountant, and the audit shall be conducted in accordance with governmental auditing standards.

(d) An organization, solicitor, or solicitor firm shall make such special reports to the commissioner as the commissioner may from time to time require.

(e) For good cause and upon written request, the commissioner may extend the time for compliance with subdivisions (a), (b), and (h).

(f) An organization, solicitor, or solicitor firm shall, when requested by the commissioner, for good cause, submit its unaudited financial statement, prepared in accordance with generally accepted accounting principles and consisting of at least a balance sheet and statement of income, as of the date and for the period specified by the commissioner. The commissioner may require the submission of such reports on a monthly or other periodic basis.

(g) If the report, certificate, or opinion of the independent accountant referred to in subdivision (c) is in any way qualified, the commissioner may require the organization to take such action as the commissioner deems appropriate to permit an independent accountant to remove such qualification from the report, certificate, or opinion.

(h) The commissioner may reject any financial statement, report, certificate, or opinion filed pursuant to this section by notifying the organization, solicitor, or solicitor firm required to make such filing of its rejection and the cause thereof. Within 30 days after the receipt of such notice, such person shall correct such deficiency, and the failure so to do shall be deemed a violation of this part. The commissioner shall retain a copy of all filings so rejected.

(i) The commissioner may make rules and regulations specifying the form and content of the reports and financial statements referred to in this section, and may require that such reports and financial statements be verified by the organization or other person subject to this part in such manner as the commissioner may prescribe.

5190. Each organization, solicitor, and solicitor firm shall keep and maintain current such books of account and other records as the commissioner may by rule require for the purposes of this part. Every organization shall require all providers who contract with the organization to report to the organization in writing all surcharge and copayment moneys paid by employees directly to such providers, unless the commissioner expressly approves otherwise.

CHAPTER 7. DISCIPLINE

5191. (a) The commissioner may suspend or revoke any authorization issued under this part to an organization or assess civil penalties if the commissioner determines that the licensee has committed any of the acts or omissions constituting grounds for disciplinary action.

(b) The following acts or omissions constitute grounds for disciplinary action by the commissioner:

(1) The organization is operating at variance with the basic organizational documents as filed pursuant to Section 5159 or 5161 or with its published plan, or in any manner contrary to that described in, and reasonably inferred from, the contract as contained in its

application for authorization and annual report, or any modification thereof, unless amendments allowing the variation have been submitted to, and approved by, the commissioner.

(2) The organization has issued, or permits others to use, a disclosure form or uses a schedule of charges for health care which do not comply with those published in the latest disclosure form found unobjectionable by the commissioner.

(3) The organization does not provide health care to its employees as set forth in the disclosure form.

(4) The organization is no longer able to meet the standards set forth in Chapter 5 (commencing with Section 5177).

(5) The continued operation of the organization will constitute a substantial risk to employees.

(6) The organization has violated or attempted to violate, or conspired to violate, directly or indirectly, or assisted in or abetted a violation or conspiracy to violate any provision of this part or any rule or regulation adopted by the commissioner pursuant to this part.

(7) The organization has engaged in any conduct which constitutes fraud or dishonest dealing or unfair competition, as defined by Section 17200 of the Business and Professions Code.

(8) The organization has permitted, or aided or abetted, any violation by an employee or contractor who is a holder of any certificate, license, permit, registration, or exemption issued pursuant to the Business and Professions Code, the Health and Safety Code, or this code which would constitute grounds for discipline against the certificate, license, permit, registration, or exemption.

(9) The organization has aided or abetted or permitted the commission of any illegal act.

(10) The engagement of a person as an officer, director, employee, associate, or provider of the organization contrary to the provisions of an order issued by the commissioner pursuant to subdivision (c) or pursuant to subdivision (d) of Section 5193.

(11) The engagement of a person as a solicitor or supervisor of solicitation contrary to the provisions of an order issued by the commissioner pursuant to Section 5193.

(12) The organization, its management company, or any other affiliate of the organization, or any controlling person, officer, director, or other person occupying a principal management or supervisory position in the organization, management company, or affiliate, has been convicted of or pleaded nolo contendere to a crime, or committed any act involving dishonesty, fraud, or deceit, which crime or act is substantially related to the qualifications, functions, or duties of a person engaged in business in accordance with this part. The commissioner may revoke or deny an authorization hereunder irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

(c) The commissioner may prohibit any person from serving as an officer, director, employee, associate, or provider of any organization or solicitor firm, or of any management company of any organization,

or as a solicitor, if (1) the prohibition is in the public interest and the person has committed or caused, participated in, or had knowledge of a violation of this part by an organization, management company, or solicitor firm, or (2) the person was an officer, director, employee, associate, or provider of an organization or of a management company or solicitor firm of any organization whose license has been suspended or revoked pursuant to this section and the person had knowledge of, or participated in, any of the prohibited acts for which the license was suspended or revoked. A proceeding for the issuance of an order under this subdivision may be included with a proceeding against an organization under this section or may constitute a separate proceeding, subject in either case to appropriate notice and opportunity for hearing to the person affected in accordance with subdivision (a) of Section 5207.

5192. (a) Any person who violates any provision of this part, or who violates any rule or order adopted or issued pursuant to this part, shall be liable for a civil penalty not to exceed two thousand five hundred dollars ($2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the commissioner in any court of competent jurisdiction.

(b) As applied to the civil penalties for acts in violation of this part, the remedies provided by this section and by other sections of this part are not exclusive, and may be sought and employed in any combination to enforce this part.

(c) No action shall be maintained to enforce any liability created under subdivision (a), unless brought before the expiration of four years after the act or transaction constituting the violation.

5193. (a) The commissioner may, after appropriate notice and opportunity for hearing, by order censure a person acting as a solicitor or solicitor firm, or suspend for a period not exceeding 24 months or bar a person from operating as a solicitor or solicitor firm, or assess civil penalties against a person acting as a solicitor or solicitor firm if the commissioner determines that such person has committed any of the acts or omissions constituting grounds for disciplinary action.

(b) The following acts or omissions constitute grounds for disciplinary action by the commissioner:

(1) The continued operation of the solicitor or solicitor firm in a manner which may constitute a substantial risk to an organization or employees.

(2) The solicitor or solicitor firm has violated or attempted to violate, or conspired to violate, directly or indirectly, or assisted in or abetted a violation or conspiracy to violate any provision of this part or any rule or regulation adopted by the commissioner pursuant to the part.

(3) The solicitor or solicitor firm has engaged in any conduct which constitutes fraud or dishonest dealing or unfair competition, as defined by Section 17200 of the Business and Professions Code.

(4) The engagement of a person as an officer, director, employee, or associate of the solicitor firm contrary to the provisions of an order issued by the commissioner pursuant to subdivision (d) of this section or subdivision (c) of Section 5191.

(5) The solicitor or solicitor firm, or its management company, or any other affiliate of the solicitor firm, or any controlling person, officer, director, or other person occupying a principal management or supervisory position in such solicitor firm, management company, or affiliate, has been convicted of or pleaded nolo contendere to a crime, or committed any act involving dishonesty, fraud, or deceit, which crime or act is substantially related to the qualifications, functions, or duties of a person engaged in business in accordance with the provisions of this part. The commissioner may issue an order hereunder irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

(c) The commissioner shall notify organizations of any order issued pursuant to subdivision (a) which suspends or bars a person from engaging in operations as a solicitor or solicitor firm. It shall be unlawful for any organization, after receipt of notice of such an order, to receive any new subscribers or enrollees through such a person or to otherwise utilize any solicitation services of such person in violation thereof.

(d) The commissioner may prohibit any person from serving as an officer, director, employee, or associate of any organization or solicitor firm, or as a solicitor, if such person was an officer, director, employee, or associate of a solicitor firm which has been the subject of an order of suspension or bar from engaging in operations as a solicitor firm pursuant to this section and such person had knowledge of, or participated in, any of the prohibited acts for which such order was issued. A proceeding for the issuance of an order under this subdivision may be included with a proceeding against a solicitor firm under this section or may constitute a separate proceeding, subject in either case to appropriate notice and opportunity for hearing to the person affected in accordance with the provisions of subdivision (a) of Section 5207.

5194. (a) A person whose authorization has been revoked, or suspended for more than one year, may petition the commissioner to reinstate the license as provided by Section 11522 of the Government Code. No petition may be considered if the petitioner is under criminal sentence for a violation of this part, or any offense which would constitute grounds for discipline, or denial of licensure under this part, including any period of probation or parole.

(b) A person who is barred, or suspended for more than one year, from acting as a solicitor or solicitor firm pursuant to Section 5193, or who is subject to an order, pursuant to subdivision (c) of Section 5191 or subdivision (d) of Section 5193, which by its terms is effective for more than one year, may petition the commissioner to reduce by order such penalty in a manner generally consistent with the provisions of Section 11522 of the Government Code. No petition

may be considered if the petitioner is under criminal sentence for a violation of this part, or any offense which would constitute grounds for discipline under this part, including any period of probation or parole.

(c) The petition for restoration shall be in the form prescribed by the commissioner and the commissioner may condition the granting of such petition upon such additional information and undertakings as the commissioner may require in order to determine whether such person, if restored, would engage in business in full compliance with the objectives and provisions of this part and the rules and regulations adopted by the commissioner pursuant to this part.

(d) The fee for the filing of a petition for restoration pursuant to this section is two hundred fifty dollars ($250). In addition, the commissioner may condition the granting of such a petition to an organization upon payment of the assessment due and unpaid pursuant to subdivision (b) of Section 5166 as of the 15th day of December occurring within the preceding 12 calendar months and, if the organization's suspension or revocation was in effect for more than 12 months, upon the filing of a new organization application and the payment of the fee prescribed by subdivision (a) of Section 5166.

CHAPTER 8. CRIMES

5195. Any person who willfully violates any provision of this part or of any rule or order thereunder shall upon conviction be fined not more than ten thousand dollars ($10,000) or imprisoned in the state prison, or in a county jail for not more than one year, or be punished by both such fine and imprisonment, but no person may be imprisoned for the violation of any rule or order if it is proven that such person had no knowledge of the rule or order.

5196. (a) The commissioner may issue an order directing an organization, solicitor firm, or any representative thereof, or a solicitor to cease and desist from engaging in any act or practice in violation of the provisions of this part.

If that person fails to file a written request for a hearing within one year from the date of service of the order, the order shall be deemed a final order of the commissioner and shall not be subject to review by any court or agency, notwithstanding subdivision (b) of Section 5207.

(b) If a timely request for a hearing is made by an authorized organization, the request shall automatically stay the effect of the order only to the extent that the order requires the cessation of operation of the organization or prohibits acceptance of new members by the organization or both. However, no automatic stay shall be issued if any examination or inspection of the organization performed by the commissioner discloses, or reports or documents submitted to the commissioner by the organization on their face show, that the organization is in violation of any fiscal requirement of this part or in violation of any requirement of Section 5189 or 5190.

In the event of an automatic stay, only that portion of the order requiring cessation of operation or prohibiting contracting shall be stayed and all other portions of the order shall remain effective. If a hearing is held, and a finding is made that the health or safety of the employees and potential employees to be provided health care by the organization might be adversely affected by its continued operation, the stay shall be terminated. Such a finding shall be made, if at all, not later than 30 days after the date of the hearing.

(c) If a timely request for a hearing is made by an unauthorized organization the commissioner may stay the effect of the order to the extent that the order requires the cessation of operation of the organization or prohibits acceptance of new members by the organization, for such period and subject to such conditions as the commissioner may require, upon a determination by the commissioner that the action would be in the public interest.

5197. (a) In the case of any violation of the provisions of this part, the commissioner may institute a proceeding, or the commissioner may request the Attorney General to institute a proceeding, to obtain injunctive or other equitable relief, including the appointment of a receiver or conservator for the defendant or the defendant's assets, in the superior court in and for the county in which the violation occurs, or in which the principal place of business of the organization is located. The proceeding under this section shall conform with the requirements of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that the commissioner shall not be required to allege facts necessary to show lack of adequate remedy at law, or to show irreparable loss or damage.

(b) Upon a proper showing, the court shall grant the relief provided by law and requested by the commissioner.

(c) A receiver or conservator appointed by the superior court pursuant to this section may, with the approval of the court, exercise all of the powers of the officers and directors of the organization, including the filing of a petition for bankruptcy. No action at law or in equity may be maintained by any party against the commissioner, or a receiver or conservator, by reason of their exercising the powers of the officers and directors of an organization pursuant to the order of, or with the approval of, the superior court.

5198. (a) The superior court of the county in which is located the principal office of the organization in this state shall, upon the filing by the commissioner of a verified application showing any of the conditions enumerated in Section 5191 to exist, issue its order vesting title to all of the assets of the organization, wheresoever situated, in the commissioner or the commissioner's successor in office, in his or her official capacity as such, and direct the commissioner to take possession of all of its books, records, property, real and personal, and assets, and to conduct, as conservator, the business or portion of the business of the person to the commissioner as may seem appropriate, and enjoining the person and its officers, directors, agents, servants,

and employees from the transaction of its business or disposition of its property until the further order of the court.

(b) Whenever it appears to the commissioner that irreparable loss and injury to the property and business of the organization has occurred or may occur unless the commissioner acts immediately, the commissioner, without notice and before applying to the court for any order, shall take possession of the property, business, books, records, and accounts of such organization, and of the offices and premises occupied by it for the transaction of its business, and retain possession subject to the order of the court. Any person having possession of and refusing to deliver any of the books, records, or assets of an organization against whom a seizure order has been issued by the commissioner, shall be guilty of a misdemeanor and punishable by fine not exceeding one thousand dollars ($1,000) or imprisonment not exceeding one year, or both such fine and imprisonment.

5199. (a) A person who violates Section 5158, or any person who directly or indirectly participates in the direction of the management or policies of the person in violation of Section 5158, including, but not limited to, any officer, director, partner, or other person occupying a principal management or supervisory position, shall be liable for civil penalties as follows:

(1) A sum not exceeding two thousand five hundred dollars ($2,500), and

(2) A sum not exceeding five hundred dollars ($500) for each employee under a contract that was entered into or renewed while such person was in violation of Section 5158.

(b) The civil penalty may be assessed and recovered only in a civil action. The cause of action may be brought in the name of the people of the State of California by the Attorney General or the commissioner, as determined by the commissioner.

5200. The civil, criminal, and administrative remedies available to the commissioner pursuant to this chapter are not exclusive, and may be sought and employed in a combination deemed advisable by the commissioner to enforce the provisions of this part.

5201. Notwithstanding any other provision of law, the commissioner may file a verified complaint for involuntary dissolution of an organization on any one or more of the grounds specified in subdivision (b) of Section 5191. The complaint shall be filed in the superior court of the county where the principal executive office of the organization is located or, if the principal executive office of the organization is not located in this state, or the organization has no such office, the County of Sacramento.

5202. Notwithstanding any other provision of law, in any involuntary dissolution of an organization as provided for in Section 5201, or other insolvency proceeding involving an organization, the following expenses and claims have priority in the following order:

(a) First, administrative expenses allowed by the superior court and any fees and charges assessed against the estate of the dissolved

organization in conjunction with the dissolution of the estate.

(b) Second, taxes due the State of California.

(c) Third, claims having preference by the laws of the United States and by the laws of this state.

(d) Fourth, claims of organization contract holders for reimbursement for health care rendered by providers to employees.

(e) Fifth, any and all claims, including all officers' and directors' claims for indemnity, arising against the estate of the dissolved organization.

5203. Except as provided for in Sections 5201 and 5202, the involuntary dissolution of an organization shall be in accordance with either:

(1) Chapter 18 (commencing with Section 1800) of Division 1 of Title 1 of the Corporations Code if the organization is incorporated under the General Corporation Law.

(2) Chapter 15 (commencing with Section 8510) of Part 3 of Division 2 of Title 1 of the Corporations Code if the organization is incorporated under the Nonprofit Corporation Law.

CHAPTER 8.5. SERVICE OF PROCESS

5204. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter of any rule, regulation, or order adopted hereunder, whether or not the person has filed a power of attorney under subdivision (j) of Section 5159, and personal jurisdiction equivalent over the person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the appointment of the commissioner or the commissioner's successor in office to be the attorney in fact to receive any lawful process in any noncriminal suit, action, or proceeding instituted by him or her, with the same force and validity as if personally served. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless the plaintiff or petitioner, who may be the commissioner in a suit, action, or proceeding instituted by him or her, forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at his or her last known address or takes other steps which are reasonably calculated to give actual notice, and in a court action, an affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows. In the case of administrative orders issued by the commissioner, the affidavit of compliance need not be filed with the administrative tribunal unless the respondent requests a hearing.

CHAPTER 9. MISCELLANEOUS

5205. Notwithstanding Article 6 (commencing with Section 650) of Chapter 1 of Division 2 of the Business and Professions Code, any

organization may, except as limited by this subdivision, solicit or advertise with regard to the cost of subscription or enrollment, facilities and services rendered, provided, however, Article 5 (commencing with Section 600) of Chapter 1 of Division 2 of the Business and Professions Code remains in effect. Any price advertisement shall be exact, without the use of such phrases as "as low as," "and up," "lowest prices," or words or phrases of similar import. Any advertisement which refers to health care, or costs for such health care, and which uses words of comparison must be based on verifiable data substantiating the comparison. Any organization so advertising shall be prepared to provide information sufficient to establish the accuracy of such comparison. Price advertising shall not be fraudulent, deceitful, or misleading, nor contain any offers of discounts, premiums, gifts, or bait of similar nature. In connection with price advertising, the price for health care shall be clearly identifiable. The price advertised for products shall include charges for any related professional services, including dispensing and fitting services, unless the advertisement specifically and clearly indicates otherwise.

Nothing in this part shall be construed to repeal, abolish, or diminish the effect of Section 431 of the Health and Safety Code.

5206. It is unlawful for any person willfully to make any untrue statement of material fact in any application, notice, amendment, report, or other submission filed with the commissioner under this part or regulations adopted thereunder, or willfully to omit to state in any application, notice, or report any material fact which is required to be stated therein.

5207. (a) Whenever reference is made in this part to a hearing before or by the commissioner, the hearing shall be held in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all of the powers granted under that act.

(b) Every final order, decision, license, or other official act of the commissioner under this part is subject to judicial review in accordance with the law.

5208. Neither the commissioner nor any employee of the Department of Corporations shall be precluded from choosing to receive care from an organization which is subject to the provisions of this part, subject to such rules as may be adopted hereunder or pursuant to other proper authority.

5209. (a) Surrender of an organization's authorization becomes effective 30 days after receipt of an application to surrender the authorization or within a shorter period of time as the commissioner may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the surrender is instituted within 30 days after the application is filed. If such a proceeding is pending or instituted, surrender becomes effective at the time and

upon the conditions as the commissioner by order determines.

(b) If the commissioner finds that any organization is no longer in existence, or has ceased to do business or has failed to initiate business activity as a licensee within six months after authorization, or cannot be located after reasonable search, the commissioner may by order summarily revoke such authorization.

(c) The commissioner may summarily suspend or revoke the authorization of an organization upon (1) failure to pay any fee required by this part within 15 days after notice by the commissioner that such fee is due and unpaid, or (2) failure to file any amendment or report required under this part within 15 days after notice by the commissioner that the report is due.

5210. This part shall become operative August 1, 1994. However, this part shall not be implemented unless the Legislature appropriates money to the Department of Corporations for costs related to the department's initial duties in authorizing workers' compensation health care provider organizations.

SEC. 55. Section 5275 of the Labor Code is amended to read:

5275. (a) Disputes involving the following issues shall be submitted for arbitration:

(1) Insurance coverage.

(2) Right of contribution in accordance with Section 5500.5.

(3) Permanent disability, where an informal rating has indicated that the permanent disability will be 15 percent standard or less, and the presiding judge determines that the case will not be set for hearing within 110 calendar days from the date of the filing of the application for adjudication.

(4) Permanent disability, where an informal rating has indicated that the permanent disability will be 20 percent standard or less, and the presiding judge determines that the case will not be set for hearing within 150 calendar days from the date of the filing of the application for adjudication.

(5) Requests for rehabilitation unit dispute resolution if the administrative director determines that the matter will not be set for conference within 90 calendar days from the date of the filing of the request.

(6) Appeals from decisions and orders of the vocational rehabilitation unit within the Office of Benefit Determination if the presiding judge determines that the appeal will not be set for hearing within 120 calendar days from the date of the filing of the appeal.

(b) Paragraphs (3) and (4) of subdivision (a) shall not be applicable if the applicant has requested and received a continuance or delay in the time periods for proceedings set forth in Section 5502.

(c) Paragraphs (3) and (4) of subdivision (a) shall become operative on January 1, 1991, and paragraphs (5) and (6) of subdivision (a) shall become operative January 1, 1994, regardless of the date of injury.

(d) By agreement of the parties, any issue arising under Division 1 (commencing with Section 50) or Division 4 (commencing with

Section 3200) may be submitted for arbitration, regardless of the date of injury.

SEC. 56. Section 5307.1 of the Labor Code is amended to read:

5307.1. (a) (1) The administrative director, after public hearings, shall adopt and revise, no less frequently than biennially, an official medical fee schedule which shall establish reasonable maximum fees paid for medical services provided pursuant to this division. No later than January 1, 1995, the administrative director shall have revised the schedule. By no later than January 1, 1996, the schedule shall include services for health care facilities licensed pursuant to Section 1250 of the Health and Safety Code, and drugs and pharmacy services. The fee schedule for health care facilities shall take into consideration cost and service differentials for various types of facilities.

(2) The administrative director shall include services provided by physical therapists in the official fee schedule adopted and revised pursuant to paragraph (1). Nothing in this paragraph shall affect the ability of physicians to continue to be reimbursed for their services in accordance with the official medical fee schedule adopted pursuant to paragraph (1) for the provision of services within their scope of practice.

(3) The administrative director shall consult with statewide professional organizations representing affected providers on the update of the official medical fee schedule.

(b) Nothing in this section shall prohibit a medical provider or a licensed health care facility from being paid by an employer or carrier fees in excess of those set forth on the official medical fee schedule, provided that the fee is:

(1) Reasonable.

(2) Accompanied by itemization and justified by an explanation of extraordinary circumstances related to the unusual nature of the medical services rendered.

In no event shall a physician charge in excess of his or her usual fee.

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

(d) Except as provided in Section 4626, the official medical fee schedule shall not apply to medical-legal expenses as defined by Section 4620.

SEC. 57. Section 5307.6 of the Labor Code is amended to read:

5307.6. (a) The administrative director shall adopt and revise a fee schedule for medical-legal expenses as defined by Section 4620, which shall be prima facie evidence of the reasonableness of fees charged for medical-legal expenses at the same time he or she adopts and revises the medical fee schedule pursuant to Section 5307.1.

The schedule shall consist of a series of procedure codes, relative values, and a conversion factor producing fees which provide remuneration to physicians performing medical-legal evaluations at a level equivalent to that provided to physicians for reasonably comparable work, and which additionally recognizes the relative complexity of various types of evaluations, the amount of time spent by the physician in direct contact with the patient, and the need to prepare a written report.

(b) A provider shall not be paid fees in excess of those set forth in the fee schedule established under this section unless the provider provides an itemization and explanation of the fee that shows that it is both a reasonable fee and that extraordinary circumstances relating to the medical condition being evaluated justify a higher fee; provided, however, that in no event shall a provider charge in excess of his or her usual fee.

(c) In the event of a dispute between the provider and the employer or carrier concerning the fees charged, the provider may be allowed a reasonable fee for testimony if the provider testified pursuant to the employer's or carrier's subpoena and the judge or referee determines that the fee charged was reasonable and justified by extraordinary circumstances.

(d) No evaluator may request nor accept any compensation, including, but not limited to, any kind of remuneration, discount, rebate, refund, dividend, distribution, subsidy, or other form of direct or indirect payment, whether in money or otherwise, from any source for medical-legal expenses if such compensation is in addition to the fees authorized by this section. In addition to being subject to discipline pursuant to the provisions of subdivision (k) of Section 139.2, any provider violating this subdivision is subject to disciplinary action by the appropriate licensing board.

SEC. 58. Section 5401 of the Labor Code is amended to read:

5401. (a) Within one working day of receiving notice or knowledge of injury under Section 5400 or 5402, which injury results in lost time beyond the date of injury or which results in medical treatment beyond first aid, the employer shall provide, personally or by first-class mail, a claim form and a notice of potential eligibility for benefits under this division to the injured employee, or in the case of death, to his or her dependents. As used in this subdivision, "first aid" means any one-time treatment of minor scratches, cuts, burns, splinters, or other minor industrial injury. "Minor industrial injury" shall not include serious exposure to a hazardous substance as defined in subdivision (i) of Section 6302. The claim form shall request the injured employee's name and address, social security number, the time and address where the injury occurred, and the nature of and part of the body affected by the injury. The notice shall include a description of the procedures and assistance available to the employee on his or her own behalf, the procedure to be used to commence proceedings for the collection of compensation for the purposes of this chapter, the telephone number of the division's

information and assistance services, and a statement that the employee has a right to consult an attorney or information and assistance officer, or both, for assistance. Claims forms shall be available at district offices of the Employment Development Department and the division. Claims forms may be made available to the employee from any other source.

(b) The completed claim form shall be filed with the employer by the injured employee, or, in the case of death, by a dependent of the injured employee, or by an agent of the employee or dependent. Except as provided in subdivision (c), a claim form is deemed filed when it is personally delivered to the employer or received by the employer by first-class or certified mail. A dated copy of the completed form shall be provided by the employer to the employer's insurer and to the employee, dependent, or agent who filed the claim form.

(c) The claim form shall be filed with the employer prior to the injured employee's entitlement to late payment supplements under subdivision (d) of Section 4650, or prior to the injured employee's request for a medical evaluation under Section 4061 or 4062. Filing of the claim form with the employer shall toll the time limitations set forth in Sections 5405 and 5406 until the claim is denied by the employer or the injury becomes presumptively compensable pursuant to Section 5402. For purposes of this subdivision, a claim form is deemed filed when it is personally delivered to the employer or mailed to the employer by first-class or certified mail.

SEC. 59. Section 5401.5 of the Labor Code is repealed.

SEC. 60. Section 5401.6 of the Labor Code is repealed.

SEC. 61. Section 5401.7 of the Labor Code is amended to read:

5401.7. The claim form shall contain, prominently stated, the following statement:

"Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony."

SEC. 62. Section 5404.5 is added to the Labor Code, to read:

5404.5. (a) Where a claim form has been filed prior to January 1, 1994, and where the claim is denied by the employer, the claim may be dismissed if there has been no activity for the previous 180 days and if the claims adjuster has served notice pursuant to Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of the Code of Civil Procedure. The notice shall specify that the claim will be dismissed by operation of law unless an application for adjudication of the claim is filed within 180 days of service of the notice.

(b) Where a claim form has been filed prior to January 1, 1994, and where benefits have been furnished by the employer, the claim may be dismissed if there has been no activity for the previous 180 days and if the claims adjuster has served notice pursuant to Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of the Code of Civil Procedure. The notice shall specify that the claim will be

dismissed by operation of law unless an application for adjudication of the claim is filed within five years of the date of injury or within one year of the last furnishing of benefits, whichever is later.

(c) The administrative director may adopt rules of practice and procedure consistent with this section.

(d) The provisions of subdivisions (a) and (b) do not limit the jurisdiction of the appeals board.

SEC. 63. Section 5500 of the Labor Code is amended to read:

5500. No pleadings other than the application and answer shall be required. Both shall be in writing and shall conform to forms prescribed by the appeals board in its rules of practice and procedure, simply but clearly and completely delineating all relevant matters of agreement and all issues of disagreement within the jurisdiction of the appeals board, and providing for the furnishing of any additional information as the appeals board may properly determine necessary to expedite its hearing and determination of the claim.

The amendment of this section made during the 1993 portion of the 1993–94 Regular Session shall apply to all applications filed on or after January 1, 1994.

SEC. 64. Section 5502 of the Labor Code is amended to read:

5502. (a) Except as provided in subdivisions (b) and (d), the hearing shall be held not less than 10 days, and not more than 60 days, after the date a declaration or readiness to proceed is filed.

(b) The administrative director shall establish a priority calendar for issues requiring an expedited hearing and decision. A hearing shall be held and a determination as to the rights of the parties shall be made and filed within 30 days after the declaration of readiness to proceed is filed if the issues in dispute are any of the following:

(1) The employee's entitlement to medical treatment pursuant to Section 4600.

(2) The employee's entitlement to, or the amount of, temporary disability indemnity payments.

(3) The employee's entitlement to vocational rehabilitation services, or the termination of an employer's liability to provide these services to an employee.

(4) The employee's entitlement to compensation from one or more responsible employers when two or more employers dispute liability as among themselves.

(5) Any other issues requiring an expedited hearing and determination as prescribed in rules and regulations of the administrative director.

(c) The administrative director shall report quarterly to the Governor and to the Legislature concerning the frequency and types of issues which are not heard and decided within the period prescribed in this section and the reasons therefor.

(d) (1) In all cases, a mandatory settlement conference shall be conducted not less than 10 days, and not more than 30 days, after the filing of a declaration of readiness to proceed. If the dispute is not

resolved, the regular hearing shall be held within 75 days after the declaration of readiness to proceed is filed.

(2) The settlement conference shall be conducted by a workers' compensation judge or by a referee who is eligible to be a workers' compensation judge or eligible to be an arbitrator under Section 5270.5. At the mandatory settlement conference, the referee or workers' compensation judge shall have the authority to resolve the dispute, including the authority to approve a compromise and release or issue a stipulated finding and award, and if the dispute cannot be resolved, to frame the issues and stipulations for trial. The appeals board shall adopt any regulations needed to implement this subdivision. The presiding workers' compensation judge shall supervise settlement conference referees in the performance of their judicial functions under this subdivision.

(3) If the claim is not resolved at the mandatory settlement conference, the parties shall file a pretrial conference statement noting the specific issues in dispute, each party's proposed permanent disability rating, and listing the exhibits, and disclosing witnesses. Discovery shall close on the date of the mandatory settlement conference. Evidence not disclosed or obtained thereafter shall not be admissible unless the proponent of the evidence can demonstrate that it was not available or could not have been discovered by the exercise of due diligence prior to the settlement conference.

(e) In cases involving the Director of the Department of Industrial Relations in his or her capacity as administrator of the Uninsured Employers Fund, this section shall not apply unless proof of service, as specified in paragraph (1) of subdivision (d) of Section 3716 has been filed with the appeals board and provided to the Director of Industrial Relations, valid jurisdiction has been established over the employer, and the fund has been joined.

SEC. 65. Section 5710 of the Labor Code is amended to read:

5710. (a) The appeals board, a workers' compensation judge, or any party to the action or proceeding, may, in any investigation or hearing before the appeals board, cause the deposition of witnesses residing within or without the state to be taken in the manner prescribed by law for like depositions in civil actions in the superior courts of this state. To that end the attendance of witnesses and the production of records may be required. Depositions may be taken outside the state before any officer authorized to administer oaths. The appeals board or a workers' compensation judge in any proceeding before the appeals board may cause evidence to be taken in other jurisdictions before the agency authorized to hear workers' compensation matters in those other jurisdictions.

(b) Where the employer or insurance carrier requests a deposition to be taken of an injured employee, or any person claiming benefits as a dependent of an injured employee, the deponent is entitled to receive in addition to all other benefits:

(1) All reasonable expenses of transportation, meals and lodging

incident to the deposition.

(2) Reimbursement for any loss of wages incurred during attendance at the deposition.

(3) A copy of the transcript of the deposition, without cost.

(4) A reasonable allowance for attorney's fees for the deponent, if represented by an attorney licensed by the state bar of this state. The fee shall be discretionary with, and, if allowed, shall be set by, the appeals board, but shall be paid by the employer or his or her insurer.

(5) A reasonable allowance for interpreter's fees for the deponent, if interpretation services are needed and provided by a language interpreter certified or deemed certified pursuant to Section 11513 or 68566 of the Government Code. The fee shall be in accordance with the fee schedule set by the administrative director and paid by the employer or his or her insurer. Payment for interpreter's services shall be allowed for deposition of a non-English-speaking injured worker, and for such other deposition-related events as permitted by the administrative director.

SEC. 65.5. Section 5811 of the Labor Code is amended to read:

5811. (a) No fees shall be charged by the clerk of any court for the performance of any official service required by this division, except for the docketing of awards as judgments and for certified copies of transcripts thereof. In all proceedings under this division before the appeals board, costs as between the parties may be allowed by the appeals board.

(b) It shall be the responsibility of any party producing a witness requiring an interpreter to arrange for the presence of a qualified interpreter. A qualified interpreter is a language interpreter who is certified, or deemed certified, pursuant to Section 11513 or 68566 of the Government Code.

Interpreter fees which are reasonably, actually, and necessarily incurred shall be allowed as cost under this section, provided they are in accordance with the fee schedule set by the administrative director.

A qualified interpreter may render services during the following:

(1) A deposition.

(2) An appeals board hearing.

(3) During those settings which the administrative director determines are reasonably necessary to ascertain the validity or extent of injury to an employee who cannot communicate in English.

SEC. 66. Section 5813 is added to the Labor Code, to read:

5813. (a) The appeals board may order a party, the party's attorney, or both, to pay any reasonable expenses, including attorney's fees and costs, incurred by another party as a result of bad-faith actions or tactics that are frivolous or solely intended to cause unnecessary delay. In addition, the appeals board, in its sole discretion, may order additional sanctions not to exceed two thousand five hundred dollars ($2,500) to be transmitted to the

General Fund.

(b) The determination of sanctions shall be made after written application by the party seeking sanctions or upon the appeal board's own motion.

(c) This section shall apply to all applications for adjudication that are filed on or after January 1, 1994.

SEC. 67. Section 6314.1 of the Labor Code is repealed.

SEC. 68. Section 6314.1 is added to the Labor Code, to read:

6314.1. (a) The division shall establish a program for targeting employers in high hazardous industries with the highest incidence of preventable occupational injuries and illnesses and workers' compensation losses. The employers shall be identified from any or all of the following data sources: the California Work Injury and Illness program, the Occupational Injuries and Illness Survey, the federal hazardous employers' list, experience modification and other relevant data maintained and furnished by all rating organizations as defined in Section 11750.1 of the Insurance Code, histories of violations of Occupational Safety and Health Act standards, and any other source deemed to be appropriate that identifies injury and illness rates.

(b) The division shall establish procedures for ensuring that the highest hazardous employers in the most hazardous industries are inspected on a priority basis. The division may send a letter to the high hazard employers who are identified pursuant to this section informing them of their status and directing them to submit a plan, including the establishment of joint labor-management health and safety committees, within a time determined by the division for reducing their occupational injury and illness rates. Employers who submit plans that meet the requirements of the division may be placed on a secondary inspection schedule. Employers on that schedule shall be inspected on a random basis as determined by the division. Employers who do not submit plans meeting the requirements of the division within the time specified by the division shall be placed on the primary inspection list. Every employer on the primary inspection list shall be subject to an inspection. The division shall employ sufficient personnel to meet minimum federal targeted inspection standards.

(c) The division shall establish and maintain regional plans for allocating the division's resources for the targeted inspection program in addition to the inspections required or authorized in Sections 6309, 6313, and 6320. Each regional plan shall focus on industries selected from the targeted inspection program as well as any other scheduled inspections that the division determines to be appropriate to the region, including the cleanup of hazardous waste sites. All targeted inspections shall be conducted on a priority basis, targeting the worst employers first.

(d) In order to maximize the impact of the regional plans, the division shall coordinate its education, training, and consulting services with the priorities established in the regional plans.

SEC. 69. Section 6354 of the Labor Code is amended to read:

6354. The division shall, upon request, provide a full range of occupational safety and health consulting services to any employer or employee group. These consulting services shall include:

(a) A program for identifying categories of occupational safety and health hazards causing the greatest number and most serious preventable injuries and illnesses and workers' compensation losses and the places of employment where they are occurring. The hazards, industries, and places of employment shall be identified from the data system that is used in the targeted inspection program pursuant to Section 6314.1. The division shall develop procedures for offering consultation services to high hazard employers who are identified pursuant to this section. The services may include the development of educational material and procedures for reducing or eliminating safety and health hazards, conducting workplace surveys to identify health and safety problems, and development of plans to improve employer health and safety loss records.

The program shall include a component for reducing the number of work-related, repetitive motion injuries, including, but not limited to, back injuries. The division may formulate recommendations for reducing repetitive motion injuries after conducting a survey of the workplace of the employer who accepts services of the division. The recommendations shall include, wherever appropriate, the application of generally accepted ergonomic and engineering principles to eliminate repetitive motions that are generally expected to result in injuries to workers. The recommendations shall also include, wherever appropriate, training programs to instruct workers in methods for performing job-related movements, such as lifting heavy objects, in a manner that minimizes strain and provides safeguards against injury.

The division shall establish model injury and illness prevention training programs to prevent repetitive motion injuries, including recommendations for the minimum qualifications of instructors. The model programs shall be made available to employers, employer associations, workers' compensation insurers, and employee organizations on request.

(b) A program for providing assistance in the development of injury prevention programs for employees and employers. The highest priority for the division's consulting services shall be given to development of these programs for businesses with fewer than 250 employees in industries identified in the regional plans developed pursuant to subdivision (b) of Section 6314.1.

(c) A program for providing employers or employees with information, advice, and recommendations on maintaining safe employment or place of employment, and on applicable occupational safety and health standards, techniques, devices, methods, practices, or programs.

SEC. 70. Section 6355 of the Labor Code is amended to read:

6355. If the employer requests or accepts consulting services

offered pursuant to Section 6354, the division in providing such services at the employer's employment or place of employment shall neither institute any prosecution under Section 6423 nor issue any citations for a violation of any standard or order adopted pursuant to Chapter 6 (commencing with Section 140) of Division 1. In any instance in which the division representative providing the consulting service finds that the conditions of employment, place of employment, any work procedure, or the operation of any machine, device, apparatus, or equipment constitutes an imminent hazard or danger, within the meaning of Section 6325, to the lives, safety, or health of employees, entry therein, or the use thereof, as the case may be, shall be prohibited by the division pursuant to Section 6325. The employer shall not, however, be liable to prosecution under Section 6423, nor shall the division issue any citations or assess any civil penalties, except in any case where the employer fails to comply with the division's prohibition of entry or use, or in any case where the provisions of Section 6326 apply.

SEC. 71. Section 6357 is added to the Labor Code, to read:

6357. On or before January 1, 1995, the Occupational Safety and Health Standards Board shall adopt standards for ergonomics in the workplace designed to minimize the instances of injury from repetitive motion.

SEC. 72. The Legislature finds that significant reductions in workers' compensation losses experienced by employers over a period of more than one year prior to the effective date of this act justify a premium rate reduction. The amount of the reduction required by Section 11732.01 the Insurance Code has been established by the Legislature to provide needed relief to insured employers from the high cost of workers' compensation insurance while being adequate for insurers.

SEC. 74. Notwithstanding Section 13.60 of the Budget Act of 1993, all revenues derived from the imposition of fines and penalties assessed pursuant to Sections 129.5 and 4628 of the Labor Code shall be exempt from transfer to the unappropriated surplus of the General Fund.

SEC. 75. Nothing in this act shall be deemed to supersede or limit the operation of pilot projects approved by the administrative director pursuant to Section 4612 of the Labor Code. No provision or requirement of this act shall be deemed applicable to those pilot projects, or impose any requirements on them for any purpose.

SEC. 76. 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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

SEC. 77. Except for those provisions amending, adding, or repealing sections of the Insurance Code, the provisions of this act apply only to injuries occurring on or after January 1, 1994.

SEC. 78. This act shall become operative only if Assembly Bill 119, Assembly Bill 1300, Senate Bill 484, and Senate Bill 983 are all enacted and become effective on or before January 1, 1994.

SEC. 79. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 80. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or 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 changes to California's workers' compensation system that are needed to provide immediate relief to California businesses and workers, it is necessary for this act to take effect immediately.

CHAPTER 122

An act to amend Sections 15814.16 and 15848 of the Government Code, relating to state facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. Section 15814.16 of the Government Code is amended to read:

15814.16. Notwithstanding any other provision of law, the amount necessary to pay monthly for electrical or thermal energy or water or conservation measures for any state agency under an energy service contract, or to pay for conservation measures or electrical or thermal energy or water received by any state agency from cogeneration or alternative energy equipment authorized to be constructed or acquired under this part or Part 10.5 (commencing with Section 15750), is hereby appropriated each fiscal year payable from the fund in the State Treasury from which an agency derives its appropriation for support, and shall become available only if the payments are due during a period that the state is operating without funds appropriated by the Budget Act for that fiscal year or if the amount required to pay the charges has not been included in the Budget Act for that fiscal year and the Department of Finance

certifies to the Controller that sufficient funds are available for the support of the agency for these services. Also, in order for the appropriation to be available, the board shall certify that the payments for the year in question are anticipated to be less than would result from the purchase of electrical or thermal energy or water avoided by purchases under this part or Part 10.5 (commencing with Section 15750). This appropriation shall be inoperative as to any facility that is transferred to the jurisdiction of the Department of General Services or another state agency pursuant to Section 15814.17 or 15816, to any facility transferred to a state agency pursuant to a joint powers agreement, or to any facility the title of which has vested 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 pursuant to subdivision (b) of Section 15816.

SEC. 1.5. Section 15848 of the Government Code is amended to read:

15848. Notwithstanding Section 13340 or any other provision of law, the amount as may be necessary to pay the rent of any agency occupying space in a facility authorized to be acquired or constructed under the State Building Construction Act of 1955 or a facility leased by a state agency pursuant to a joint powers agreement in accordance with Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 is hereby appropriated each fiscal year payable from the fund in the State Treasury from which that agency derives its appropriation for support and shall become available only if the rental payments are due during a period that the state is operating without funds appropriated by the Budget Act for that fiscal year or if the amount required to pay the rental payments has not been included in the Budget Act for that fiscal year and the Department of Finance certifies to the Controller that sufficient funds are available for the support of the agency for that portion of the facility that has been provided for its use and the facility or portion thereof is available for the use and occupancy of the agency. This appropriation shall be inoperative as to any facility that is transferred to the jurisdiction of the Department of General Services pursuant to subdivision (a) of Section 15816, to any facility transferred to a state agency pursuant to a joint powers agreement, or to any facility the title of which has vested 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 pursuant to subdivision (b) of Section 15816.

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 a credit problem in the 1993–94 fiscal year

caused by the state's inability to make its payments for certain energy conservation measures and its rental payments on state facility leases that support outstanding revenue bonds or certificates of participation in the event a budget bill is not enacted in a timely manner, it is necessary that this act take effect immediately.

CHAPTER 123

An act to amend Section 421 of, and to add Section 5012 to, the Public Utilities Code, relating to public utilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1993. Filed with Secretary of State July 16, 1993.]

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

SECTION 1. Section 421 of the Public Utilities Code is amended to read:

421. (a) The commission shall annually determine a fee to be paid by every passenger stage corporation, charter-party carrier of passengers, pipeline corporation, for-hire vessel operator, common carrier vessel operator, railroad corporation, and commercial air operator and every other common carrier and related business subject to the jurisdiction of the commission, except as otherwise provided in Article 3 (commencing with Section 431) of this chapter and Chapter 6 (commencing with Section 5001) of Division 2.

(b) The annual fee shall be established to produce a total amount equal to the amount established in the authorized commission budget for the same year, including adjustments appropriated by the Legislature and an appropriate reserve, to regulate common carriers and related businesses, less the amount to be paid from special accounts or funds pursuant to Section 403, reimbursements, federal funds, other revenues, and unencumbered funds from the preceding year.

(c) Notwithstanding any other provision of law, the fees paid by railroad corporations shall be used for state-funded railroad investigation and enforcement activities of the commission, other than the rail safety activities funded by the Transportation Planning and Development Account pursuant to Section 99315.5. The railroad fees shall be set annually at a level which generates not less than the amount sufficient to fund activities pursuant to Section 765.5.

(d) On January 1, 1992, the commission shall submit to the Legislature a detailed budget implementing this section for the 1992–93 fiscal year. The commission shall also submit to the Legislature by January 1, 1993, and on each January 1 thereafter, a detailed budget for expenditure of railroad corporation fees for the

ensuing budget year. The budget for expenditure of railroad corporation fees shall include, at a minimum, the following line items:

(1) Expenditures for railroad-safety personnel directly involved in inspecting railroads and enforcing rail safety regulations.

(2) Expenditures for clerical and support staff directly associated with railroad-safety inspections.

(3) Expenditures for personnel related to railroad operations, but not directly involved in railroad-safety activities.

(4) Expenditures for the pro rata share of commission overhead costs attributed to the railroad-safety program.

(e) The Department of Finance shall notify the Joint Legislative Budget Committee, pursuant to Section 28.00 of the annual Budget Act, prior to authorizing any change in the Budget Act appropriation for railroad corporation fees that are larger than one hundred thousand dollars ($100,000), or 10 percent of the amount budgeted, whichever is less.

(f) Commencing with the 1993–94 fiscal year, and in each subsequent fiscal year, the commission shall conduct an audit of the expenditure of the funds received pursuant to this section. The results of this audit shall be reported, in writing, commencing on or before February 15, 1995, with respect to the audit for the 1993–94 fiscal year, and on or before February 15 of each year thereafter, with respect to the audit for the fiscal year ending on the previous June 30, to the appropriate policy and budget committees of the respective houses of the Legislature.

(g) On or before January 1, 1994, the commission shall hire a minimum of four additional operating practices inspectors, exclusive of supervisory personnel, who are, or shall become, by July 1, 1994, federally certified, for the purpose of enforcing compliance by railroads operating in this state with state and federal safety regulations.

SEC. 2. (a) The amount of two million nine hundred thousand dollars ($2,900,000) is hereby appropriated from the Transportation Reimbursement Account to the Public Utilities Commission for the purpose of freight rail safety inspection and enforcement programs under Section 765 of the Public Utilities Code.

(b) The funds appropriated in subdivision (a) shall be expended in accordance with all of the following conditions:

(1) The funds shall be expended in accordance with subdivisions (b), (c), and (d) of Section 309.7 of, and subdivision (c) of Section 421 of, the Public Utilities Code.

(2) Notwithstanding any other provision of law, the Public Utilities Commission shall, on or before October 1, 1993, complete the hiring and qualification process for all safety inspectors required by Sections 309.7 and 765.5 of the Public Utilities Code.

(3) Notwithstanding any other provision of law, the Public Utilities Commission shall, on or before October 1, 1993, establish a minimum railroad safety inspection standard as required in

subdivision (f) of Section 765.5 of the Public Utilities Code.

(4) Notwithstanding any other provision of law, the Public Utilities Commission shall, on or before October 1, 1993, complete the identification of local hazardous rail sites as required by Section 7711 of the Public Utilities Code.

(5) Notwithstanding any other provision of law, the Public Utilities Commission shall, on or before January 1, 1994, adopt a plan and timeline for abating the local hazards, including the adoption of regulations as required by Section 7712 of the Public Utilities Code.

(6) Notwithstanding any other provision of law, the Public Utilities Commission shall expend no funds from the appropriation made by subdivision (a) for the support of personnel in either the Division of Strategic Planning or the Division of Ratepayer Advocates.

(7) Expenditures made pursuant to subdivision (d) of Section 421 of the Public Utilities Code shall be limited to no more than two hundred ninety thousand dollars ($290,000).

SEC. 3. Section 5012 is added to the Public Utilities Code, to read:

5012. Commencing with the 1993–94 fiscal year, and each subsequent fiscal year, the Public Utilities Commission shall conduct an audit of the expenditures of the funds received pursuant to this chapter. The results of this audit shall be reported in writing, commencing on or before February 15, 1995, with respect to the audit for the 1993–94 fiscal year, and on or before February 15th of each year thereafter, with respect to the audit for the fiscal year ending on the previous June 30th, to the appropriate policy and budget committees of the respective houses of the Legislature.

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:

An emergency currently exists, in that dangerous conditions may exist on the state's railroads. These dangerous conditions can be ameliorated by the effective railroad safety inspection and enforcement program, to be administered by the Public Utilities Commission, that would be established by this act. It is therefore necessary that this act take effect immediately.

CHAPTER 124

An act to add Section 5026 to the Penal Code, relating to undocumented aliens.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 5026 is added to the Penal Code, to read:

5026. The Department of Corrections shall cooperate with the United States Immigration and Naturalization Service by providing the use of prison facilities, transportation, and general support, as needed, for the purposes of conducting and expediting deportation hearings and subsequent placement of deportation holds on undocumented aliens who are incarcerated in state prison.

CHAPTER 125

An act to amend Sections 5371.3 and 5391.2 of, and to amend and repeal Sections 404, 5373.1, 5383, and 5392 of, the Public Utilities Code, and to repeal Section 9 of Chapter 1336 of the Statutes of 1989, relating to carriers.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 404 of the Public Utilities Code, as amended by Section 1 of Chapter 636 of the Statutes of 1991, is amended to read:

404. (a) All fees paid pursuant to this chapter, exclusive of any penalties for delinquency, shall be allowed by the commission in a separate order as an ordinary operating expense for purposes of establishing rates or charges. The commission shall authorize each person or corporation subject to Section 421 or 431 to annually adjust its rates or charges for intrastate services so as to collect from its customers and subscribers an amount sufficient to pay the amount of the fee required by Section 421 or 431 together with the costs of collecting the fee from each customer or subscriber.

(b) The commission shall adopt rules to determine the appropriate level of fees for carriers that provide transportation services incidental to commercial balloon operations, commercial river rafting, or skiing.

(c) Each person or corporation subject to Section 421 or 431 may identify separately, on the bill of each customer or subscriber, the

amount to be paid by each customer or subscriber for purposes of funding the commission pursuant to this chapter.

(d) Persons or corporations subject to Section 421 or 431 shall pay the fee in accordance with Section 423 or 433 after collection from their customers or subscribers.

SEC. 2. Section 404 of the Public Utilities Code, as added by Section 1.6 of Chapter 1336 of the Statutes of 1989, is repealed.

SEC. 3. Section 5371.3 of the Public Utilities Code is amended to read:

5371.3. A class C certificate holder is one who provides transportation services incidental to commercial balloon operations, commercial river rafting, or skiing. This section does not apply to certificates issued under Section 5371.1 or 5371.2.

SEC. 4. Section 5373.1 of the Public Utilities Code, as amended by Section 12 of Chapter 65 of the Statutes of 1990, 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) Class C certificates—five hundred dollars ($500).

(4) 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 that operates tour buses, as defined in Section 612 of the Vehicle Code, to undergo 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 5373.1 of the Public Utilities Code, as amended by Section 13 of Chapter 65 of the Statutes of 1990, is repealed.

SEC. 6. Section 5383 of the Public Utilities Code, as amended by Section 3 of Chapter 636 of the Statutes of 1991, is amended to read:

5383. The commission shall create the following classifications or types of certificates for charter-party carriers of passengers:

Class A: from any point or points within the state to other points in or out of this state.

Class B: from any point within the territory of origin specified in the certificate to any points in the state, or territory of origin.

Class C: services provided incidental to commercial balloon

operations, commercial river rafting, or skiing where no additional compensation is provided for the transportation.

SEC. 7. Section 5383 of the Public Utilities Code, as added by Section 5 of Chapter 1336 of the Statutes of 1989, is repealed.

SEC. 8. Section 5391.2 of the Public Utilities Code is amended to read:

5391.2. Notwithstanding Section 5391, in granting certificates to the holders of class C certificates, the commission shall require that those carriers procure and continue in effect adequate protection against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom; protection against a total liability of the carrier of passengers on account of bodily injuries to, or death of, more than one person as a result of any one accident; and protection against damage or destruction of property. The requirement of that assurance of protection against liability shall be seven hundred fifty thousand dollars ($750,000) per accident.

SEC. 9. Section 5392 of the Public Utilities Code, as amended by Section 7 of Chapter 1336 of the Statutes of 1989, is amended to read:

5392. The protection required under Sections 5391 and 5391.2 shall be evidenced by the deposit of any of the following with the commission covering each vehicle used or to be used under the certificate or permit applied for:

(a) A policy of insurance, issued by a company licensed to write insurance in this state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if the policies meet the rules promulgated therefor by the commission.

(b) A bond of a surety company licensed to write surety bonds in the state.

(c) Evidence of the qualification of the charter-party carrier of passengers as a self-insurer as may be authorized by the commission.

SEC. 10. Section 5392 of the Public Utilities Code, as added by Section 8 of Chapter 1336 of the Statutes of 1989, is repealed.

SEC. 11. Section 9 of Chapter 1336 of the Statutes of 1989 is repealed.

SEC. 12. 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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 126

An act to add Section 13519.7 to the Penal Code, relating to sexual harassment.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 13519.7 is added to the Penal Code, to read:

13519.7. (a) On or before August 1, 1994, the commission shall develop complaint guidelines to be followed by city police departments, county sheriffs' departments, districts, and state university departments, for peace officers who are victims of sexual harassment in the workplace. In developing the complaint guidelines, the commission shall consult with appropriate groups and individuals having an expertise in the area of sexual harassment.

(b) The course of basic training for law enforcement officers shall, no later than January 1, 1995, include instruction on sexual harassment in the workplace. The training shall include, but not be limited to, the following:

(1) The definition of sexual harassment.

(2) A description of sexual harassment, utilizing examples.

(3) The illegality of sexual harassment.

(4) The complaint process, legal remedies, and protection from retaliation available to victims of sexual harassment.

In developing this training, the commission shall consult with appropriate groups and individuals having an interest and expertise in the area of sexual harassment.

(c) All peace officers who have received their basic training before January 1, 1995, shall receive supplementary training on sexual harassment in the workplace by January 1, 1997.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 127

An act to amend Sections 667.6 and 1203.065 of the Penal Code, relating to sentencing.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 667.6 of the Penal Code is amended to read:

667.6. (a) Any person who is found guilty of violating paragraph (2), (3), or (7) of subdivision (a) of Section 261, Section 264.1, subdivision (b) of Section 288, Section 288.5 or 289, of committing sodomy in violation of subdivision (k) of Section 286, of committing oral copulation in violation of subdivision (k) of Section 288a, 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 who has been convicted previously of any of those offenses shall receive a five-year enhancement for each of those prior convictions provided that no enhancement shall be imposed under this subdivision for any conviction occurring prior to a period of 10 years in which the person remained free of both prison custody and the commission of an offense which results in a felony conviction. In addition to the five-year enhancement imposed under this subdivision, the court also may impose a fine not to exceed twenty thousand dollars ($20,000) for anyone sentenced under these provisions. The fine imposed and collected pursuant to this subdivision shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs established pursuant to Section 13837.

(b) Any person convicted of an offense specified in subdivision (a) who has served two or more prior prison terms as defined in Section 667.5 for any offense specified in subdivision (a), shall receive a 10-year enhancement for each of those prior terms provided that no additional enhancement shall be imposed under this subdivision for any prison term served prior to a period of 10 years in which the person remained free of both prison custody and the commission of an offense which results in a felony conviction. In addition to the 10-year enhancement imposed under this subdivision, the court also may impose a fine not to exceed twenty thousand dollars ($20,000) for any person sentenced under this subdivision. The fine imposed and collected pursuant to this subdivision shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs established pursuant to Section 13837.

(c) In lieu of the term provided in Section 1170.1, a full, separate, and consecutive term may be imposed for each violation of Section 220, other than an assault with intent to commit mayhem, provided that the person has been convicted previously of violating Section 220 for an offense other than an assault with intent to commit mayhem, paragraph (2) , (3), or (7) of subdivision (a) of Section 261, Section 264.1, subdivision (b) of Section 288, Section 288.5 or 289, of committing sodomy in violation of subdivision (k) of Section 286, of committing oral copulation in violation of subdivision (k) of Section 288a, 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 whether or not the crimes were committed during a single transaction. If the term is imposed consecutively pursuant to this subdivision, it shall be served consecutively to any other term of imprisonment, and shall commence from the time the person otherwise would have been released from imprisonment. The term shall not be included in any determination pursuant to Section 1170.1. Any other term imposed subsequent to that term shall not be merged therein but shall commence at the time the person otherwise would have been released from prison.

(d) A full, separate, and consecutive term shall be served for each violation of Section 220, other than an assault with intent to commit mayhem, provided that the person has been convicted previously of violating Section 220 for an offense other than an assault with intent to commit mayhem, paragraph (2), (3), or (7) of subdivision (a) of Section 261, Section 264.1, subdivision (b) of Section 288, Section 289, of committing sodomy in violation of subdivision (k) of Section 286, of committing oral copulation in violation of subdivision (k) of Section 288a, 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 if the crimes involve separate victims or involve the same victim on separate occasions.

In determining whether crimes against a single victim were committed on separate occasions under this subdivision, the court shall consider whether, between the commission of one sex crime and another, the defendant had a reasonable opportunity to reflect upon his or her actions and nevertheless resumed sexually assaultive behavior. Neither the duration of time between crimes, nor whether or not the defendant lost or abandoned his or her opportunity to attack, shall be, in and of itself, determinative on the issue of whether the crimes in question occurred on separate occasions.

The term shall be served consecutively to any other term of imprisonment and shall commence from the time the person otherwise would have been released from imprisonment. The term shall not be included in any determination pursuant to Section 1170.1. Any other term imposed subsequent to that term shall not be merged therein but shall commence at the time the person

otherwise would have been released from prison.

(e) If the court orders a fine to be imposed pursuant to subdivision (a) or (b), the actual administrative cost of collecting that fine, not to exceed 2 percent of the total amount paid, may be paid into the general fund of the county treasury for the use and benefit of the county.

SEC. 2. 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 paragraph (2) of subdivision (a) of Section 261, Section 264.1, Section 266h, Section 266i, 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 paragraph (7) of subdivision (a) of Section 261, a violation of subdivision (k) of Section 286, a violation of subdivision (k) of Section 288a, convicted of a violation of Section 220 for assault with intent to commit any of the following: rape, sodomy, oral copulation, any violation of Section 264.1, any violation of subdivision (b) of Section 288, or any violation of Section 289.

When probation is granted, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(c) This section does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

CHAPTER 128

An act to amend Sections 401 and 710 of, and to repeal and add Section 194 of, the Corporations Code, relating to corporations.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. The Legislature finds and declares that confusion has arisen over the use of written consents of shareholders to approve actions requiring the approval of the outstanding shares under Section 152 of the Corporations Code. The Legislature declares that it is and has been the intent of Section 194 of the Corporations Code

to permit the use of written consents in connection with approvals by the outstanding shares, as well as the other sections of the General Corporation Law where the term "vote" is used. This reenactment of Section 194 is intended to be declarative of the Legislature's original intent in enacting Section 194.

SEC. 2. Section 194 of the Corporations Code is repealed.

SEC. 3. Section 194 is added to the Corporations Code, to read:

194. "Vote" includes authorization by written consent, subject to the provisions of subdivision (b) of Section 307 and subdivision (d) of Section 603.

SEC. 4. Section 401 of the Corporations Code is amended to read:

401. (a) Before any corporation issues any shares of any class or series of which the rights, preferences, privileges, and restrictions, or any of them, or the number of shares constituting any series or the designation of the series, are not set forth in its articles but are fixed in a resolution adopted by the board pursuant to authority given by its articles, an officers' certificate shall be executed and filed, setting forth: (1) a copy of the resolution; (2) the number of shares of the class or series; and (3) that none of the shares of the class or series has been issued.

(b) After any certificate of determination has been filed, but before the corporation issues any shares of the class or series covered thereby, the board may alter or revoke any right, preference, privilege, or restriction fixed or determined by the resolution set forth therein by the adoption of another resolution appropriate for that purpose and the execution and filing of an officers' certificate setting forth a copy of the resolution, and stating that none of the shares of the class or the series affected has been issued.

(c) After any certificate of determination has been filed, the board may, if authorized in the articles pursuant to subdivision (e) of Section 202, increase or decrease the number of shares constituting any series, by the adoption of another resolution appropriate for that purpose and the execution and filing of an officers' certificate setting forth a copy of the resolution, the number of shares of the series then outstanding and the increase or decrease in the number of shares constituting the series. If any certificate of determination has been incorporated in restated articles filed pursuant to Section 910, the action authorized by this subdivision may, notwithstanding Section 902, be accomplished by an amendment of the articles approved by the board alone.

(d) After shares of a class or series have been issued, the provisions of the resolution set forth in a certificate of determination may be amended only by the adoption and approval of an amendment in accordance with Section 902, 903, or 904 and the filing of a certificate of amendment in accordance with Sections 905 and 908. Notwithstanding the preceding sentence, a certificate to increase or decrease the number of shares of a series also may be filed as permitted by subdivision (c).

(e) A provision in a certificate of determination being amended

pursuant to subdivision (b), (c), or (d) shall be identified in the amendment in accordance with subdivision (a) of Section 907.

(f) If a certificate is filed pursuant to subdivision (c) to decrease the number of shares of a series to zero, the certificate of determination whereby the series was established is thereupon no longer in force and the series is no longer an authorized series of the corporation.

(g) If the rights, preferences, privileges, and restrictions of the class or series contain a supermajority vote provision, as defined in subdivision (b) of Section 710, subject to Section 710, the officers' certificate shall also state that the provision has been approved by the shareholders in accordance with subdivision (c) of Section 710.

SEC. 5. Section 710 of the Corporations Code is amended to read:

710. (a) This section applies to a corporation with outstanding shares held of record by 100 or more persons (determined as provided in Section 605) which files an amendment of articles or certificate of determination containing a "supermajority vote" provision on or after January 1, 1989 ; provided that this section shall not apply to a corporation which files an amendment of articles or certificate of determination on or after January 1, 1994, if, at the time of filing, the corporation has (1) outstanding shares of more than one class or series of stock; (2) no class of equity securities registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934; (3) outstanding securities held of record by fewer than 300 persons determined as provided by Section 605; and (4) no supermajority vote provision, and has never had a supermajority vote provision, subject to the requirement of readoption under subdivision (c).

(b) A "supermajority vote" is a requirement set forth in the articles or in a certificate of determination authorized under any provision of this division that specified corporate action or actions be approved by a larger proportion of the outstanding shares than a majority, or by a larger proportion of the outstanding shares of a class or series than a majority, but no supermajority vote which is subject to this section shall require a vote in excess of 66⅔ percent of the outstanding shares or 66⅔ percent of the outstanding shares of any class or series of such shares.

(c) An amendment of the articles or a certificate of determination that includes a supermajority vote requirement shall be approved by at least as large a proportion of the outstanding shares (Section 152) as is required pursuant to that amendment or certificate of determination for the approval of the specified corporate action or actions. The supermajority vote requirement shall cease to be effective two years after the filing of the most recent filing of the amendment or certificate of determination to adopt or readopt the supermajority vote requirement. At any time within one year before the applicable expiration date, a supermajority vote requirement may be renewed, and at any time after the expiration date, a supermajority vote requirement may again be made effective for another two-year period, by readopting the provision and filing a

certificate of amendment pursuant to, and subject to the limitations of, this subdivision. If the provision is not readopted in this manner, then the particular corporate action or actions previously subject to the supermajority vote shall thereafter require a vote of only a majority of either the outstanding shares or the shares of the specified class or series which had previously been subject to the supermajority vote provision, whichever the case may be.

CHAPTER 129

An act to amend Section 5133 of the Public Utilities Code, relating to carriers.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 5133 of the Public Utilities Code is amended to read:

5133. No household goods carrier shall engage, or attempt to engage, in the business of the transportation of used household goods and personal effects, office, store, and institution furniture and fixtures for compensation, by motor vehicle over any public highway in this state, unless there is in force a permit issued by the commission authorizing those operations.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 130

An act to amend Sections 97.035, 4702, 4702.7, and 4715 of the Revenue and Taxation Code, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 97.035 of the Revenue and Taxation Code, as added by Senate Bill 1135 of the 1993–94 Regular Session, is amended to read:

97.035. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 97, as modified by Section 97.03 for the 1992–93 fiscal year, shall be modified for the 1993–94 fiscal year pursuant to subdivisions (a) to (c), inclusive, as follows:

(a) The amount of property tax revenue deemed allocated in the prior fiscal year to each county and city and county shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions for counties and cities and counties determined pursuant to this section shall be one billion nine hundred ninety-eight million dollars ($1,998,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of the reduction for each county or city and county as follows:

(A) The proportionate share of the property tax revenue reduction for each county or city and county that would have been imposed on all counties under the proposal specified in the "May Revision of the 1993–94 Governor's Budget" shall be determined by reference to the document entitled "Estimated County Property Tax Transfers Under Governor's May Revision Proposal," published by the Legislative Analyst's Office on June 1, 1993.

(B) Each county's or city and county's proportionate share of total taxable sales in all counties in the 1991–92 fiscal year shall be determined.

(C) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (A) to the one billion nine hundred ninety-eight million dollar ($1,998,000,000) statewide reduction for counties and cities and counties.

(D) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (B) to the one billion nine hundred ninety-eight million dollar ($1,998,000,000) statewide reduction for counties and cities and counties.

(E) The Director of Finance shall add the amounts determined pursuant to subparagraphs (C) and (D) for each county and city and county, and divide the resulting figure by two. The amount so determined for each county and city and county shall be divided by a factor of 1.038. The resulting figure shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior fiscal year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee its determination of the amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify the auditor of each county and city and county of the amount of property tax revenue reduction determined for each county and city and county.

(5) Notwithstanding any other provision of this subdivision, the amount of the reduction specified in paragraph (1) for any county or city and county that has first implemented, for the 1993–94 fiscal year, the alternative procedure for the distribution of property tax levies authorized by Chapter 2 (commencing with Section 4701) of Part 8 shall be reduced, for the 1993–94 fiscal year only, in the amount of any increased revenue allocated to school districts, county offices of education, and community college districts that would not have been allocated for the 1993–94 fiscal year but for the implementation of that alternative procedure.

(b) The amount of property tax revenue deemed allocated in the prior fiscal year to each city shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions determined for cities pursuant to this section shall be two hundred eighty-eight million dollars ($288,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of reduction for each city as follows:

(A) The amount of property tax revenue that is estimated to be attributable in the 1993–94 fiscal year to the amount of each city's state assistance payment received by that city pursuant to Chapter 282 of the Statutes of 1979 shall be determined.

(B) A factor for each city equal to the amount determined pursuant to subparagraph (A) for that city, divided by the total of the amounts determined pursuant to subparagraph (A) for all cities, shall be determined.

(C) An amount for each city equal to the factor determined pursuant to subparagraph (B), multiplied by three hundred eighty-two million five hundred thousand dollars ($382,500,000), shall be determined.

(D) In no event shall the amount for any city determined pursuant to subparagraph (C) exceed a per capita amount of nineteen dollars and thirty-one cents ($19.31), as determined in accordance with that city's population on January 1, 1993, as

estimated by the Department of Finance.

(E) The amount determined for each city pursuant to subparagraphs (C) and (D) shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee those amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify each county auditor of the amount of property tax revenue reduction determined for each city located within that county.

(c) (1) The amount of property tax revenue deemed allocated in the prior fiscal year to each special district shall be reduced by the amount determined for the district pursuant to paragraph (3) and increased by the amount determined for the district pursuant to paragraph (4). The total net amount of these changes is intended to equal two hundred forty-four million dollars ($244,000,000) in the 1993–94 fiscal year.

(2) For purposes of this section, "special district" does not include a local hospital district as described in Division 23 (commencing with Section 32000) of the Health and Safety Code, a water agency that does not sell water at retail, or a transit district.

(3) On or before September 15, 1993, the county auditor shall determine an amount for each special district equal to the amount of its allocation determined pursuant to Sections 96 or 97, and 98 for the 1993–94 fiscal year multiplied by the ratio determined pursuant to paragraph (1) of subdivision (a) of Section 98.6 as that section read on June 15, 1993. In those counties that were subject to Sections 98.65, 98.66, 98.67, and 98.68, the county auditor shall determine an amount for each special district that represents the current amount of its allocation determined pursuant to Sections 96 or 97, and 98 for the 1993–94 fiscal year that is attributed to the property tax shift from schools required by Chapter 282 of the Statutes of 1979. In determining this amount, the county auditor shall adjust for the influence of increased assessed valuation within each district, including the effect of jurisdictional changes, and the reductions in property tax allocations required in the 1992–93 fiscal year by Chapters 699 and 1369 of the Statutes of 1992. In no event shall the amount determined by this paragraph be less than zero.

(4) On or before September 15, 1993, the county auditor shall determine an amount for each special district which is engaged in fire protection activities, as reported to the Controller for inclusion in the Financial Transactions Report Concerning Special Districts under the heading of "Fire Protection," which is equal to the amount of revenue allocated to that special district from the Special District Augmentation Fund for fire protection activities in the 1992–93 fiscal year. In those counties subject to Sections 98.65, 98.66, 98.67, and 98.68, the county auditor shall determine an amount which is equal to the amount by which the allocation of each special district for fire

protection activities exceeds the allocation which would have been received by that district for fire protection activities had Section 98.6 continued to govern the allocation of property tax revenues to special districts in those counties.

(5) The total amount of property taxes allocated to special districts by the county auditor as a result of paragraph (4) shall be subtracted from the amount of property tax revenues not allocated to special districts by the county auditor as a result of paragraph (3) to determine the amount to be deposited in the Education Revenue Augmentation Fund as specified in subdivision (d).

(6) On or before September 30, 1993, the county auditor shall notify the Director of Finance of the net amount determined for special districts pursuant to paragraph (5).

(d) (1) The amount of property tax revenues not allocated to the county, city and county, cities within the county, and special districts as a result of the reductions required by subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund established in each county or city and county pursuant to Section 97.03. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1992–93 fiscal year.

(2) The county auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to school districts and county offices of education only to those school districts and county offices of education within the county that are not excess tax school entities, as defined in Section 95.1. The county superintendent of schools shall determine the amount to be allocated to each school district and county office of education in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district and county office of education. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a school district or county office of education upon that district or county office of education becoming an excess tax school entity. If, after determining the amount to be allocated to each school district and county office of education, the county superintendent of schools determines there are still additional funds to be allocated, the county superintendent of schools shall determine the remainder to be allocated in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per average daily attendance in each remaining school district and county office of education that is not an excess tax school entity until all funds that would not result in a

school district or county office of education becoming an excess tax school entity are allocated. The county superintendent of schools may determine the amounts to be allocated between each school district and county office of education to ensure that all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated.

(3) The county auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to community college districts only to those community college districts within the county that are not excess tax school entities, as defined in Section 95.1. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a community college district upon that district becoming an excess tax school entity.

(4) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2). If, after determining the amount to be allocated to each community college district, the Chancellor of the California Community Colleges determines that there are still additional funds to be allocated, the Chancellor of the California Community Colleges shall determine the remainder to be allocated to each community college district in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per funded full-time equivalent student in each remaining community college district that is not an excess tax school entity until all funds that would not result in a community college district becoming an excess tax school entity are allocated.

(5) For purposes of allocations made pursuant to Section 97 for the 1994–95 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than those amounts deposited in the Educational Revenue Augmentation Fund pursuant to any provision of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

SEC. 2. Section 4702 of the Revenue and Taxation Code is amended to read:

4702. (a) The procedure authorized by this chapter may be placed in effect in any county by resolution of the board of supervisors of that county adopted not later than July 15th of the fiscal year for which it is to first apply and shall thereafter remain in

effect unless the board orders its discontinuance or unless, prior to the commencement of any subsequent fiscal year, the board receives a petition for its discontinuance joined in by resolutions duly adopted by the governing boards of not less than two-thirds of the participating revenue districts in the county, in which event the board shall order discontinuance of the procedure effective at the commencement of the subsequent fiscal year.

(b) Notwithstanding subdivision (a), for the 1993–94 fiscal year only, the procedure authorized by this chapter may be placed in effect in any county by resolution of the board of supervisors of that county adopted not later than October 15, 1993, and shall remain in effect unless otherwise discontinued in accordance with the provisions of this chapter.

SEC. 3. Section 4702.7 of the Revenue and Taxation Code is amended to read:

4702.7. In any county electing to follow the procedure authorized by this chapter, the board of supervisors, by resolution adopted in accordance with Section 4702, after holding a public hearing on the matter, may discontinue those procedures with respect to any tax levying agency or assessment levying agency in the county if the rate of secured tax delinquency in that agency in any year exceeds 3 percent of the total of all taxes and assessments levied on the secured rolls in that agency.

SEC. 4. Section 4715 of the Revenue and Taxation Code is amended to read:

4715. This chapter shall have no application to tax levies made by counties on behalf of public districts for which the county treasury is not the legal depositary unless agreed to by a resolution of the governing board of the public district and the board of supervisors of the county, adopted in accordance with Section 4702 for the fiscal year in which this procedure is to apply to that public district.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 6. This act shall become operative only if Senate Bill 1135 of the 1993–94 Regular Session adds Sections 97.035 and 11005.7 to the Revenue and Taxation Code and is chaptered before this act and on or before January 1, 1994.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the allocation of state and local governmental revenues in a manner consistent with the resolution of the current severe shortfall in state revenues, it is necessary that this act take effect immediately.

CHAPTER 131

An act to add Section 1170.72 to the Penal Code, relating to controlled substances.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 1170.72 is added to the Penal Code, to read:

1170.72. Upon conviction of a violation of Section 11353, 11353.5, 11353.7, 11354, 11361, or 11380 of the Health and Safety Code, or a finding of truth of an enhancing allegation pursuant to paragraph (3) of subdivision (a) of Section 11353.1, Section 11353.6, or paragraph (3) of subdivision (a) of Section 11380.1, the fact that the minor was 11 years of age or younger shall be considered a circumstance in aggravation when imposing a term under subdivision (b) of Section 1170.

CHAPTER 132

An act to amend Section 2076.5 of the Business and Professions Code, relating to medicine, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 2076.5 of the Business and Professions Code is amended to read:

2076.5. (a) Notwithstanding any other provision of law, a physician and surgeon lawfully practicing medicine in another state or country may be exempted from licensure while practicing medicine in this state under the following conditions:

(1) The physician and surgeon has been invited by the XV FIFA World Cup Organizing Committee or United States Olympic Committee to provide medical services at training sites designated

by either committee or at the olympic training center at San Diego or to provide medical services at an event in this state sanctioned by either committee.

(2) The XV FIFA World Cup Organizing Committee or the United States Olympic Committee certifies to the board the name of the physician and surgeon, the state or country of the applicant's licensure, and the dates within which the applicant has been invited to provide medical services.

(3) The physician and surgeon's practice is limited to that required by the XV FIFA World Cup Organizing Committee or the United States Olympic Committee. Those medical services shall be within the area of the physician's and surgeon's competence and shall only be provided to athletes or team personnel registered to train at the training sites designated by either committee or at the olympic training center or registered to compete in an event conducted under the sanction of the XV FIFA World Cup Organizing Committee or United States Olympic Committee.

(b) The exemption provided in this section shall remain in force while the holder is providing medical services at the invitation of the XV FIFA World Cup Organizing Committee or United States Olympic Committee and only during the time certified to the board, but in no event longer than 90 days.

(c) Notwithstanding any other provision of law, the official team manager who is responsible for any team member participating in events at the invitation of the XV FIFA World Cup Organizing Committee or the United States Olympic Committee in California may give consent to the furnishing of hospital, medical, and surgical care to a minor who is a team member and that consent shall not be subject to disaffirmance because of minority. The consent of the parent, or parents, of that person shall not be necessary in order to authorize hospital, medical, and surgical care.

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

In order to allow the 1994 World Cup to provide timely and necessary medical care to its participants, it is necessary that this act take effect immediately.

CHAPTER 133

An act to amend Section 21655.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 21655.5 of the Vehicle Code is amended to read:

21655.5. (a) The Department of Transportation and local authorities, with respect to highways under their respective jurisdictions, may authorize or permit exclusive or preferential use of highway lanes for high-occupancy vehicles. Prior to establishing the lanes, competent engineering estimates shall be made of the effect of the lanes on safety, congestion, and highway capacity.

(b) The Department of Transportation and local authorities, with respect to highways under their respective jurisdictions, shall place and maintain, or cause to be placed and maintained, signs and other official traffic control devices to designate the exclusive or preferential lanes, to advise motorists of the applicable vehicle occupancy levels, and, except where ramp metering and bypass lanes are regulated with the activation of traffic signals, to advise motorists of the hours of high-occupancy vehicle usage. No person shall drive a vehicle upon those lanes except in conformity with the instructions imparted by the official traffic control devices. A motorcycle may be operated upon those exclusive or preferential lanes unless specifically prohibited by a traffic control device.

(c) When responding to an existing emergency or breakdown in which a mass-transit vehicle is blocking an exclusive or preferential use lane, a clearly marked mass transit vehicle, mass transit supervisor's vehicle, or mass transit maintenance vehicle that is responding to the emergency or breakdown may be operated in the segment of the exclusive or preferential use lane being blocked by the mass-transit vehicle, regardless of the number of persons in the vehicle responding to the emergency or breakdown, if both vehicles are owned or operated by the same agency, and that agency provides public mass transit services.

(d) For purposes of this section, a "mass transit vehicle" means a transit bus regularly used to transport paying passengers in mass transit service.

(e) It is the intent of the Legislature, in amending this section, to stimulate and encourage the development of ways and means of relieving traffic congestion on California highways and, at the same time, to encourage individual citizens to pool their vehicular resources and thereby conserve fuel and lessen emission of air pollutants.

CHAPTER 134

An act to amend Section 76 of the Penal Code, relating to crimes.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 76 of the Penal Code is amended to read:

76. (a) Every person who knowingly and willingly threatens the life of, or threatens serious bodily harm to, any elected state official, exempt appointee of the Governor, or judge, or the immediate family of the official, appointee, or judge, with the specific intent that the statement is to be taken as a threat, and the apparent ability to carry out that threat by any means, is guilty of a public offense, punishable as follows:

(1) Upon a first conviction, the offense is punishable by a fine not exceeding five thousand dollars ($5,000), or by imprisonment in the state prison, or in a county jail not exceeding one year, or by both that fine and imprisonment.

(2) If the person has been convicted previously of violating this section, the previous conviction shall be charged in the accusatory pleading, and if the previous conviction is found to be true by the jury upon a jury trial, or by the court upon a court trial, or is admitted by the defendant, the offense is punishable by imprisonment in the state prison.

(b) Any law enforcement agency which has knowledge of a violation of this section shall immediately report that information to the California State Police.

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

(1) "Apparent ability to carry out that threat" includes the ability to fulfill the threat at some future date when the person making the threat is an incarcerated prisoner with a stated release date.

(2) "Serious bodily harm" includes serious physical injury or serious traumatic condition.

(3) "Immediate family" means a spouse, parent, or child, or anyone who has regularly resided in the household for the past six months.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

CHAPTER 135

An act to add Section 1031.1 to the Government Code, relating to peace officers.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The position of peace officer in the State of California requires a high level of responsibility and integrity.

(b) The Commission on Peace Officer Standards and Training has validated, by statewide job analysis, 15 job dimensions that represent the major and critical areas of performance in entry level law enforcement. These dimensions include, among others, integrity, dependability, judgment under pressure, problem-solving ability, and observation skills.

(c) Existing statutory law and regulations of the commission require that an extensive background investigation be conducted prior to the appointment of a peace officer in order to ensure good moral character and the selection of qualified candidates.

(d) Law enforcement agencies have increasingly experienced refusals from employers to divulge information pertinent to peace officer applicants even with signed release waivers from applicants themselves, and this situation has seriously affected law enforcement's ability to conduct a thorough background investigation.

SEC. 2. It is the intent of the Legislature that law enforcement have access to pertinent information about peace officer applicants in order to ensure that qualified individuals with good moral character are selected.

SEC. 3. Section 1031.1 is added to the Government Code, to read:

1031.1. (a) For purposes of performing a thorough background investigation for applicants not currently employed as a peace officer, as required by subdivision (d) of Section 1031, an employer shall disclose employment information relating to a current or former employee, upon request of a law enforcement agency, if all of the following conditions are met:

(1) The request is made in writing.

(2) The request is accompanied by a notarized authorization by the applicant releasing the employer of liability.

(3) The request and the authorization are presented to the employer by a sworn officer or other authorized representative of

the employing law enforcement agency.

(b) In the absence of fraud or malice, no employer shall be subject to any civil liability for any relevant cause of action by virtue of releasing employment information required pursuant to this section. Nothing in this section is intended to, nor does in any way or manner, abrogate or lessen the existing common law or statutory privileges and immunities of an employer.

(c) For purposes of this section, "employment information" includes written information in connection with job applications, performance evaluations, attendance records, disciplinary actions, eligibility for rehire, and other information relevant to peace officer performance, except information prohibited from disclosure by any other state or federal law or regulation.

(d) An employer's refusal to disclose information to a law enforcement agency in accordance with this section shall constitute grounds for a civil action for injunctive relief requiring disclosure on the part of an employer.

(e) Employment information disclosed by an employer to an initial requesting law enforcement agency shall be deemed confidential. However, the initial requesting law enforcement agency may disclose this information to another authorized law enforcement agency that is also conducting a peace officer background investigation. Whenever this information is disclosed to another law enforcement agency, that agency shall utilize the information for investigative leads only and the information shall be independently verified by that agency in order to be used in determining the suitability of a peace officer applicant.

(f) An employer may charge reasonable fees to cover actual costs incurred in copying and furnishing documents to law enforcement agencies as required by this section.

CHAPTER 136

An act to amend Section 14131.2 of the Government Code, relating to transportation.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 14131.2 of the Government Code is amended to read:

14131.2. (a) Solely for the purpose of validating the selection of consultants completed prior to July 1, 1990, the Legislature hereby declares that the process of evaluating and selecting consultants for that list of projects specifically identified in the selection process undertaken during the period between June 13, 1989, and June 30,

1990, in support of the Riverside County Transportation Improvement Plan, as specified in Measure A on the November 8, 1988, ballot for Riverside County, is consistent with the requirements of this article, and the resultant numerically ranked list of consultants shall serve as the basis of negotiation and award of contracts by the department until September 19, 1992.

(b) The method of selecting consultants authorized by subdivision (a), and the resultant list, may be utilized until December 31, 1995, if (1) the process for prequalifying consultants is reopened to allow additional consultants the opportunity to qualify for inclusion in the list and (2), the prequalifying process is conducted at least annually.

CHAPTER 137

An act to add Section 1463.20 to the Penal Code, relating to violations.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 1463.20 is added to the Penal Code, to read:

1463.20. Notwithstanding any other law, fifty dollars ($50) of every parking penalty received by a local entity pursuant to Section 42001.5 of the Vehicle Code may be deposited by the treasurer of the local entity in a special account to be used by the local entity for the sole purposes of altering existing public facilities to make them accessible to persons with disabilities in compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101, et seq.), and federal regulations adopted pursuant to that act, and covering the actual administrative cost of setting aside fifty dollars ($50) of every parking penalty received pursuant to Section 42001.5 of the Vehicle Code for that purpose.

CHAPTER 138

An act to amend Sections 66, 69, and 970 of the Military and Veterans Code, relating to the veterans.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. In enacting this act, it is the intent of the Legislature to enhance the ability of the California Veterans Board to adequately represent the interests of all veterans currently residing in California as the board fulfills its policymaking role.

SEC. 2. Section 66 of the Military and Veterans Code is amended to read:

66. (a) Until January 15, 1994, six members of the board shall be veterans as "veteran" is defined in Section 980, and one member of the board may, in lieu thereof, be a veteran as "veteran" is defined in Section 18540.4 of the Government Code. In addition, one member shall be retired from the active or reserve forces of the United States military service.

(b) On and after January 15, 1994, all members of the board shall be veterans as "veteran" is defined in Section 18540.4 of the Government Code. One of these members shall also be retired from the active or reserve forces of the United States military service. This subdivision shall not be construed to prohibit a member of the board who does not meet this requirement from serving the remainder of his or her term.

SEC. 3. Section 69 of the Military and Veterans Code is amended to read:

69. (a) The board shall hold meetings at times and at places as shall be determined by it.

(b) Special meetings may be called at any time by the chairperson or by the executive officer at the request of any four members, upon notice specifying the matters to be acted upon at the meeting, but no other matters shall be acted upon at these special meetings which were not so noticed.

SEC. 4. Section 970 of the Military and Veterans Code, as added by Section 2 of the Statutes of 1992, is amended to read:

970. (a) The board of supervisors of each county may, but is not required to, appoint, prescribe the qualifications of, and fix the compensation of an officer to be titled "county veterans service officer." The appointee shall be a veteran.

(b) It shall be the duty of the county veterans service officer to administer the aid provided for in this chapter, to investigate all claims, applications, or requests for aid made pursuant to the terms of this chapter, and to perform any other veteran related services as requested by the county board of supervisors.

(c) Notwithstanding subdivision (a), two or more counties may jointly establish a single veterans service office which shall serve all the counties that agree to the joint establishment of that office.

(d) This section shall become operative January 1, 1995.

CHAPTER 139

An act to amend Sections 88010.5 and 88029 of, to add Section 88040 to, and to repeal Sections 88031 and 88039 of, the Education Code, relating to community college employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 88010.5 of the Education Code is amended to read:

88010.5. A classified employee employed by any community college district that decides to maintain classes on Saturday or Sunday, or both, shall not, without his or her written consent, be required to change his or her workweek to include Saturday or Sunday, or both. No classified employee shall be assigned to perform services on a Saturday or Sunday if the classified employee objects in writing that the assignment would conflict with his or her religious beliefs or practices. Enactment of this section shall cause no change or disruption in existing work schedules that may already include Saturday or Sunday as regular workdays.

This section shall not be construed as limiting the power of any governing board of a community college district to govern the schools of the district, including the assignment of classified employees employed by the district.

This section shall not be construed as modifying or otherwise affecting Section 88026, 88027, 88030, or 88040 or any other provisions of this code relating to employment of classified employees.

SEC. 2. Section 88029 of the Education Code is amended to read:

88029. Notwithstanding Sections 88026 and 88027, a personnel commission, when applicable, or a governing board of a community college district, may specify certain positions or classes of positions as supervisory, administrative, or executive and exclude the employees serving in those positions and the positions from the overtime provisions.

To be excluded from the overtime provisions, the positions or classes of positions must clearly and reasonably be management positions. In approving positions or classes of positions for exclusion from the overtime provisions, the personnel commission, when applicable, or the governing board of a district, shall certify, in

writing, that the duties, flexibility of hours, salary, benefit structure, and authority of the positions or classes of positions are of such a nature that they should be set apart from those positions that are subject to the overtime provisions, and that employees serving in the excluded positions or classes of positions will not be unreasonably discriminated against as a result of the exclusion.

Notwithstanding the provisions of this section, if a person serving in an excluded position is required to work on a holiday, as provided for in this code, or by action of a governing board, he or she shall be paid, in addition to his or her regular pay for the holiday, compensation, or given compensating time off, at a rate not less than his or her normal rate of pay.

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

SEC. 3. Section 88031 of the Education Code is repealed.

SEC. 4. Section 88039 of the Education Code is repealed.

SEC. 5. Section 88040 is added to the Education Code, to read:

88040. (a) Notwithstanding Section 88026, the governing board of a community college district may establish the workday and workweek schedules of classified employees with the concurrence of the employee organization, or in the absence of an employee organization, the concurrence of the affected employee.

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

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

In order that the provisions of this act may become effective in the current academic year, it is necessary that this act take effect immediately.

CHAPTER 140

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 205.5 of the Revenue and Taxation Code, as amended by Section 1 of Chapter 1077 of the Statutes of 1989, is amended to read:

205.5. (a) Property that is owned by, and that constitutes the

principal place of residence of, a veteran is exempted from taxation on that part of the full value of the residence that does not exceed forty thousand dollars ($40,000), if the veteran is blind in both eyes or has lost the use of two or more limbs as a result of injury or disease incurred in military service or that does not exceed one hundred thousand dollars ($100,000), if the veteran is totally disabled as a result of injury or disease incurred in military service. The forty thousand dollar ($40,000) exemption shall be sixty thousand dollars ($60,000), and the one hundred thousand dollar ($100,000) exemption shall be one hundred fifty thousand dollars ($150,000), in the case of an eligible veteran whose household income as defined in Section 20504 does not exceed the amounts specified in Section 20585.

(b) For purposes of this section, "veteran" means either of the following:

(1) A veteran as specified in subdivision (o) of Section 3 of Article XIII of the Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran's spouse.

(2) Any person who would qualify as a veteran pursuant to paragraph (1) except that he or she has, as a result of a service-connected injury or disease died while on active duty in military service. The Veterans Administration shall determine whether an injury or disease is service connected.

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran is exempt from taxation on that part of the full value of the residence that does not exceed forty thousand dollars ($40,000), in the case of a veteran who was blind in both eyes or had lost the use of two or more limbs, or one hundred thousand dollars ($100,000), in the case of a veteran who was totally disabled; provided, that the deceased veteran during his or her lifetime qualified in all respects for the exemption or would have qualified for the exemption under the laws effective on January 1, 1977, except that the veteran died prior to January 1, 1977; or provided that the veteran died from a disease which was service connected as determined by the Veterans Administration. The forty thousand dollar ($40,000) exemption shall be sixty thousand dollars ($60,000), and the one hundred thousand dollar ($100,000) exemption shall be one hundred fifty thousand dollars ($150,000), in the case of an eligible unmarried surviving spouse whose household income as specified in Section 20504 does not exceed the amounts specified in Section 20585.

(2) Commencing with the 1994–95 fiscal year, property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran as described in paragraph (2) of subdivision (b) is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars ($100,000). The one hundred thousand dollar ($100,000) exemption shall be one hundred fifty thousand dollars ($150,000), in

the case of an eligible unmarried surviving spouse whose household income as specified in Section 20504 does not exceed the amounts specified in Section 20585.

(d) As used in this section, "property that is owned by a veteran" or "property that is owned by the veteran's unmarried surviving spouse" includes all of the following:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common or as community property.

(2) Property owned by the veteran or the veteran's spouse as separate property.

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse.

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse.

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this paragraph shall be shown on the local roll and shall reduce the full value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this paragraph, any reduction of property taxes paid by the corporation shall reflect an equal reduction in any charges by the corporation to the person who, by reason of qualifying for the exemption, made possible the reduction for the corporation.

(e) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Veterans Administration or the military service from which the veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(f) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section; provided, that if two or more veterans qualified pursuant to this section co-own a property in which they reside, each is entitled to the exemption to the extent of his or her

interest.

(g) This section shall remain in effect until January 1, 1996, and on that date is repealed, unless a later enacted statute, which is chaptered on or before that date, deletes or extends that date.

SEC. 2. Section 205.5 of the Revenue and Taxation Code, as amended by Section 2 of Chapter 1077 of the Statutes of 1989, is amended to read:

205.5. (a) Property that is owned by, and that constitutes the principal place of residence of, a veteran is exempted from taxation on that part of the full value of the residence that does not exceed forty thousand dollars ($40,000), if the veteran is blind in both eyes, has lost the use of two or more limbs, or is totally disabled as a result of injury or disease incurred in military service. The exemption shall be sixty thousand dollars ($60,000) in the case of an eligible veteran whose household income as defined in Section 20504 does not exceed the amounts specified in Section 20585.

(b) For purposes of this section, "veteran" means either of the following:

(1) A veteran as specified in subdivision (o) of Section 3 of Article XIII of the Constitution without regard to any residency requirement or limitation contained therein on the value of property owned by the veteran or the veteran's spouse.

(2) Any person who would qualify as a veteran pursuant to paragraph (1) except that he or she has, as a result of a service-connected injury or a disease that is service related as determined by the Veterans Administration, died while on active duty in military service.

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran is exempt from taxation on that part of the full value of the residence that does not exceed forty thousand dollars ($40,000); provided, that the deceased veteran during his or her lifetime qualified in all respects for the exemption or would have qualified for the exemption under the laws effective on January 1, 1977, except that the veteran died prior to January 1, 1977; or provided that the veteran died from a disease which was service connected as determined by the Veterans Administration. The exemption shall be sixty thousand dollars ($60,000) in the case of an eligible unmarried surviving spouse whose household income as specified in Section 20504 does not exceed the amounts specified in Section 20585.

(2) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran as described in paragraph (2) of subdivision (b) is exempt from taxation on that part of the full value of the residence that does not exceed forty thousand dollars ($40,000). The forty thousand dollar ($40,000) exemption shall be sixty thousand dollars ($60,000), in the case of an eligible unmarried surviving spouse whose household income as specified in Section 20504 does not exceed the amounts specified in Section 20585.

(d) As used in this section, "property that is owned by a veteran" or "property that is owned by the veteran's unmarried surviving spouse" includes all of the following:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common or as community property.

(2) Property owned by the veteran or the veteran's spouse as separate property.

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse.

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse.

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this paragraph shall be shown on the local roll and shall reduce the full value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this paragraph, any reduction of property taxes paid by the corporation shall reflect an equal reduction in any charges by the corporation to the person who, by reason of qualifying for the exemption, made possible the reduction for the corporation.

(e) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Veterans Administration or the military service from which the veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(f) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section; provided, that if two or more veterans qualified pursuant to this section co-own a property in which they reside, each is entitled to the exemption to the extent of his or her interest.

(g) This section shall become operative on January 1, 1996.

SEC. 3. Notwithstanding Section 2229 of the Revenue and

Taxation Code, the requirements of that section relating to any exemption of property for more than five years or for more than 75 percent of the value thereof, shall not apply to any exemption made by this act. In addition, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

CHAPTER 141

An act to amend Sections 2432 and 2475 of the Civil Code, relating to notary forms, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 2432 of the Civil Code is amended to read:

2432. (a) An attorney in fact under a durable power of attorney may not make health care decisions unless all of the following requirements are satisfied:

(1) The durable power of attorney specifically authorizes the attorney in fact to make health care decisions.

(2) The durable power of attorney contains the date of its execution.

(3) The durable power of attorney is witnessed by one of the following methods:

(A) The durable power of attorney is signed by at least two witnesses each of whom witnessed either the signing of the instrument by the principal or the principal's acknowledgment of the signature or of the instrument, each witness making the following declaration in substance: "I declare under penalty of perjury under the laws of California that the person who signed or acknowledged this document is personally known to me to be the principal, or that the identity of the principal was proved to me by convincing evidence, that the principal signed or acknowledged this durable power of attorney in my presence, that the principal appears to be of sound mind and under no duress, fraud, or undue influence, that I am not the person appointed as attorney in fact by this document, and that I am not the principal's health care provider, an employee of the principal's health care provider, the operator of a community care facility, an employee of an operator of a community care facility, the operator of a residential care facility for the elderly, nor an employee of an operator of a residential care facility for the elderly." At least one of the witnesses must also have signed the following declaration: "I further declare under penalty of perjury under the laws of California that I am not related to the principal by

blood, marriage, or adoption, and, to the best of my knowledge, I am not entitled to any part of the estate of the principal upon the death of the principal under a will now existing or by operation of law."

(B) The durable power of attorney is acknowledged before a notary public at any place within this state pursuant to Section 1189.

(b) Except as provided in Section 2432.5:

(1) Neither the treating health care provider nor an employee of the treating health care provider, nor an operator of a community care facility or residential care facility for the elderly nor an employee of an operator of a community care facility or residential care facility for the elderly, may be designated as the attorney in fact to make health care decisions under a durable power of attorney.

(2) A health care provider or employee of a health care provider may not act as an attorney in fact to make health care decisions if the health care provider becomes the principal's treating health care provider.

(c) A conservator may not be designated as the attorney in fact to make health care decisions under a durable power of attorney for health care executed by a person who is a conservatee under the Lanterman-Petris-Short Act, Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code, unless (1) the power of attorney is otherwise valid, (2) the conservatee is represented by legal counsel, and (3) the lawyer representing the conservatee signs a certificate stating in substance: "I am a lawyer authorized to practice law in the state where this power of attorney was executed, and the principal was my client at the time this power of attorney was executed. I have advised my client concerning his or her rights in connection with this power of attorney and the applicable law and the consequences of signing or not signing this power of attorney, and my client, after being so advised, has executed this power of attorney."

(d) None of the following may be used as a witness under subdivision (a):

(1) The principal's health care provider.

(2) An employee of the principal's health care provider.

(3) The attorney in fact.

(4) The operator of a community care facility.

(5) An employee of an operator of a community care facility.

(6) The operator of a residential care facility for the elderly.

(7) An employee of an operator of a residential care facility for the elderly.

(e) At least one of the persons used as a witness under subdivision (a) shall be a person who is not one of the following:

(1) A relative of the principal by blood, marriage, or adoption.

(2) A person who would be entitled to any portion of the estate of the principal upon his or her death under any will or codicil thereto of the principal existing at the time of execution of the durable power of attorney or by operation of law then existing.

(f) A durable power of attorney for health care is not effective if

the principal is a patient in a skilled nursing facility as defined in subdivision (c) of Section 1250 of the Health and Safety Code at the time of its execution unless one of the witnesses is a patient advocate or ombudsman as may be designated by the State Department of Aging for this purpose pursuant to any other applicable provision of law. The patient advocate or ombudsman shall include in the declaration required by subdivision (a) a declaration that he or she is serving as a witness as required by this subdivision. It is the intent of this subdivision to recognize that some patients in skilled nursing facilities are insulated from a voluntary decisionmaking role, by virtue of the custodial nature of their care, so as to require special assurance that they are capable of willfully and voluntarily executing a durable power of attorney for health care.

SEC. 2. Section 2475 of the Civil Code is amended to read:

2475. The following statutory form of power of attorney is legally sufficient when the requirements of Section 2476 are satisfied:

UNIFORM STATUTORY FORM POWER OF ATTORNEY

(California Civil Code §2475)

NOTICE: THE POWERS GRANTED BY THIS DOCUMENT ARE BROAD AND SWEEPING. THEY ARE EXPLAINED IN THE UNIFORM STATUTORY FORM POWER OF ATTORNEY ACT (CALIFORNIA CIVIL CODE SECTIONS 2475–2499.5, INCLUSIVE). IF YOU HAVE ANY QUESTIONS ABOUT THESE POWERS, OBTAIN COMPETENT LEGAL ADVICE. THIS DOCUMENT DOES NOT AUTHORIZE ANYONE TO MAKE MEDICAL AND OTHER HEALTH-CARE DECISIONS FOR YOU. YOU MAY REVOKE THIS POWER OF ATTORNEY IF YOU LATER WISH TO DO SO.

I _____
(your name and address)

appoint _____
(name and address of the person appointed, or of each person appointed if you want to designate more than one)

as my agent (attorney-in-fact) to act for me in any lawful way with respect to the following initialed subjects:

TO GRANT ALL OF THE FOLLOWING POWERS, INITIAL THE LINE IN FRONT OF (N) AND IGNORE THE LINES IN FRONT OF THE OTHER POWERS.

TO GRANT ONE OR MORE, BUT FEWER THAN ALL, OF THE FOLLOWING POWERS, INITIAL THE LINE IN FRONT OF EACH POWER YOU ARE GRANTING.

TO WITHHOLD A POWER, DO NOT INITIAL THE LINE IN FRONT OF IT. YOU MAY, BUT NEED NOT, CROSS OUT EACH POWER WITHHELD.

INITIAL

____ (A) Real property transactions.
____ (B) Tangible personal property transactions.
____ (C) Stock and bond transactions.
____ (D) Commodity and option transactions.
____ (E) Banking and other financial institution transactions.
____ (F) Business operating transactions.
____ (G) Insurance and annuity transactions.
____ (H) Estate, trust, and other beneficiary transactions.
____ (I) Claims and litigation.
____ (J) Personal and family maintenance.

INITIAL

____ (K) Benefits from social security, medicare, medicaid, or other governmental programs, or civil or military service.

____ (L) Retirement plan transactions.

____ (M) Tax matters.

____ (N) ALL OF THE POWERS LISTED ABOVE.

YOU NEED NOT INITIAL ANY OTHER LINES IF YOU INITIAL LINE (N).

SPECIAL INSTRUCTIONS:

ON THE FOLLOWING LINES YOU MAY GIVE SPECIAL INSTRUCTIONS LIMITING OR EXTENDING THE POWERS GRANTED TO YOUR AGENT.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

UNLESS YOU DIRECT OTHERWISE ABOVE, THIS POWER OF ATTORNEY IS EFFECTIVE IMMEDIATELY AND WILL CONTINUE UNTIL IT IS REVOKED.

This power of attorney will continue to be effective even though I become incapacitated.

STRIKE THE PRECEDING SENTENCE IF YOU DO NOT WANT THIS POWER OF ATTORNEY TO CONTINUE IF YOU BECOME INCAPACITATED.

EXERCISE OF POWER OF ATTORNEY WHERE MORE THAN ONE AGENT DESIGNATED

If I have designated more than one agent, the agents are to act_____

_____ .

IF YOU APPOINTED MORE THAN ONE AGENT AND YOU WANT EACH AGENT TO BE ABLE TO ACT ALONE WITHOUT THE OTHER AGENT JOINING, WRITE THE WORD "SEPARATELY" IN THE BLANK SPACE ABOVE. IF YOU DO NOT INSERT ANY WORD IN THE BLANK SPACE, OR IF YOU INSERT THE WORD "JOINTLY", THEN ALL OF YOUR AGENTS MUST ACT OR SIGN TOGETHER.

I agree that any third party who receives a copy of this document may act under it. Revocation of the power of attorney is not effective as to a third party until the third party has actual knowledge of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance on this power of attorney.

Signed this ____ day of _____, 19 ____

_____
(your signature)

_____
(your social security number)

State of _____

County of _____

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

State of California }
County of _____ } ss

On _____ before me, (here insert name and title of the officer), personally appeared _____

_____

_____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

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 make the notarization requirements uniform in California as the Legislature intended by passage of Chapter 335 of the Statutes of 1990, it is necessary that this act take effect immediately.

CHAPTER 142

An act to amend Section 330.7 of the Penal Code, relating to gambling.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 330.7 of the Penal Code is amended to read:

330.7. (a) It shall be a defense to any prosecution under this chapter relating to slot machines, as defined in subdivision (2) of Section 330b, if the defendant shows that the slot machine is an antique slot machine and was not operated for gambling purposes while in the defendant's possession. For the purposes of this section, the term "antique slot machine" means a slot machine that is over 25 years of age.

(b) Notwithstanding Section 335a, whenever the defense provided by subdivision (a) is offered, no slot machine seized from any defendant shall be destroyed or otherwise altered until after a final court determination that such defense is not applicable. If the defense is applicable, the machine shall be returned pursuant to provisions of law providing for the return of property.

(c) It is the purpose of this section to protect the collection and restoration of antique slot machines not presently utilized for gambling purposes because of their aesthetic interest and importance in California history.

CHAPTER 143

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 July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. The sum of one million seven hundred twelve thousand eight hundred thirteen dollars and fifty-three cents ($1,712,813.53) is hereby appropriated to the Secretary of the State Board of Control to pay claims accepted by the State Board of Control in accordance with the following schedule:

Total For Fund: Item 0250-001-001(B), Budget Act 1993	$116.00
Total For Fund: Item 0250-001-001(C), Budget Act 1993	$419.02
Total For Fund: Item 0820-001-001(A), Budget Act 1993	$244.81
Total For Fund: Item 0820-001-001(G), Budget Act 1993	$374.27
Total For Fund: Item 0860-001-001(A), Budget Act 1993	$150.00
Total For Fund: Item 0890-001-001(A), Budget Act 1993	$727.50
Total For Fund: Item 1390-001-758(A), Budget Act 1993	$5,419.44
Total For Fund: Item 1730-001-001(A), Budget Act 1993	$700.81
Total For Fund: Item 1760-001-666(B), Budget Act 1993	$4,236.78
Total For Fund: Item 1970-011-001(A), Budget Act 1993	$31,233.44
Total For Fund: Item 2240-001-001(A), Budget Act 1993	$306.15
Total For Fund: Item 2260-001-042(B), Budget Act 1993	$2,165.10
Total For Fund: Item 2290-001-217(A), Budget Act 1993	$10,635.00
Total For Fund: Item 2660-001-042(A), Budget Act 1993	$41.36
Total For Fund: Item 2660-001-042(B), Budget Act 1993	$75,825.66
Total For Fund: Item 2720-001-044(A), Budget Act 1993	$40.00
Total For Fund: Item 2740-001-044(A), Budget Act	

1993	$4,966.65
Total For Fund: Item 2780-001-683, Budget Act 1993	$384.00
Total For Fund: Item 3340-001-001(A), Budget Act 1993	$250.00
Total For Fund: Item 3360-001-465(B), Budget Act 1993	$602.64
Total For Fund: Item 3540-001-001(A), Budget Act 1993	$123,998.23
Total For Fund: Item 3600-001-200(C), Budget Act 1993	$23,063.20
Total For Fund: Item 3790-001-001(A), Budget Act 1993	$933.72
Total For Fund: Item 3860-001-001(A), Budget Act 1993	$82.20
Total For Fund: Item 3860-001-001(C), Budget Act 1993	$500.00
Total For Fund: Item 3900-001-044(A), Budget Act 1993	$656.94
Total For Fund: Item 3910-001-378(C), Budget Act 1993	$478.90
Total For Fund: Item 3960-001-014(A), Budget Act 1993	$238.38
Total For Fund: Item 4140-001-001(D), Budget Act 1993	$164.00
Total For Fund: Item 4200-001-001(A), Budget Act 1993	$7.45
Total For Fund: Item 4260-001-001(2), Budget Act 1993	$2,424.27
Total For Fund: Item 4300-001-001(A), Budget Act 1993	$906.41
Total For Fund: Item 4300-003-001(A), Budget Act 1993	$2,284.96
Total For Fund: Item 4440-001-001(A), Budget Act 1993	$240.00
Total For Fund: Item 5100-001-870(B), Budget Act 1993	$570.00
Total For Fund: Item 5140-001-001(A), Budget Act 1993	$2,468.99
Total For Fund: Item 5160-001-001(A), Budget Act 1993	$2,970.06
Total For Fund: Item 5160-001-001(D), Budget Act 1993	$548.00
Total For Fund: Item 5180-001-001(D), Budget Act 1993	$1,168.70
Total For Fund: Item 5180-101-001(A), Budget Act 1993	$703,877.17
Total For Fund: Item 5180-121-001(A), Budget Act 1993	$9,224.02

Total For Fund: Item 5240-001-001 (A), Budget Act 1993	$311,651.88
Total For Fund: Item 5240-001-001 (B), Budget Act 1993	$1,026.08
Total For Fund: Item 5420-501-678, Chapter 1549, Statutes of 1982	$71.36
Total For Fund: Item 5460-001-001 (A), Budget Act 1993	$9,818.11
Total For Fund: Item 5460-001-001 (B), Budget Act 1993	$5,191.07
Total For Fund: Item 6110-001-001 (B), Budget Act 1993	$1,720.81
Total For Fund: Item 6120-011-001 (A), Budget Act 1993	$5,451.07
Total For Fund: Item 6360-001-407 (A), Budget Act 1993	$215.43
Total For Fund: Item 6610-001-001 (A), Budget Act 1993	$492.26
Total For Fund: Item 8140-001-001 (A), Budget Act 1993	$46.29
Total For Fund: Item 8280-001-001, Budget Act 1993	$5.00
Total For Fund: Item 8350-001-001 (C), Budget Act 1993	$8,099.09
Total For Fund: Item 8350-001-001 (I), Budget Act 1993	$5,697.74
Total For Fund: Item 8560-001-510 (B), Budget Act 1993	$1,558.40
Total For Fund: Item 8570-001-001 (A), Budget Act 1993	$4,252.00
Total For Fund: Item 8570-001-001 (B), Budget Act 1993	$22.00
Total For Fund: Item 8700-001-001 (A), Budget Act 1993	$60.65
Total For Fund: Item 8860-001-001 (A), Budget Act 1993	$66.20
Total For Fund: Assembly Operating Fund	$128.02
Total For Fund: Bank and Corporation Tax Fund	$443.59
Total For Fund: Federal Trust Fund (8915)	$73.71
Total For Fund: Federal Trust Fund (SCO)	$189.66
Total For Fund: General Fund	$250,800.39
Total For Fund: Health Care Deposit Fund	$5,301.41
Total For Fund: Motor Vehicle Fuel Account	$190.80
Total For Fund: Personal Income Tax Fund	$7,082.92
Total For Fund: Public Employees' Retirement Fund	$16,176.52
Total For Fund: State Compensation Insurance Fund	$2,564.34
Total For Fund: State Lottery Fund	$1,188.00

Total For Fund: Tax Relief and Refund Account	$34,181.45
Total For Fund: Teachers' Retirement Fund	$14,791.19
Total For Fund: Unemployment Compensation Disability Fund	$2,823.86
Total For Fund: Unemployment Fund	$788.00
Total For Fund: Veterans' Farm and Home Building Fund of 1943	$5,000.00

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 pay claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 144

An act to amend Section 40440.1 of, and to amend and renumber Section 39620 of, the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 39620 of the Health and Safety Code is amended and renumbered to read:

39616. (a) The Legislature hereby finds and declares all of the following:

(1) Several regions in California suffer from some of the worst air quality in the United States.

(2) While traditional command and control air quality regulatory programs are effective in cleaning up the air, other options for improvement in air quality, such as market-based permitting programs, should be explored, provided that those programs result in equivalent emission reductions while expending fewer resources and while maintaining or enhancing the state's economy.

(3) The purpose of this section is to establish requirements under which a district board may adopt market-based incentive programs in a manner which achieves the greatest air quality improvement while strengthening the state's economy and preserving jobs.

(b) (1) A district may adopt a market-based incentive program as an element of the district's plan for attainment of the state or federal ambient air quality standards.

(2) A market-based incentive program that satisfies the conditions in this section may substitute for current command and

control regulations and future air quality measures that would otherwise have been adopted as part of the district's plan for attainment, and may be implemented in lieu of some or all of the control measures adopted by the district pursuant to Chapter 10 (commencing with Section 40910) of Part 3.

(c) In adopting the rules and regulations to implement a program for the use of market-based incentives, a district shall, at the time the rules and regulations are adopted, make express findings and shall, at the time the rules and regulations are submitted to the state board, submit appropriate information to substantiate the basis for making the findings that each of the following conditions is met on an overall districtwide basis:

(1) The program will result in an equivalent or greater reduction in emissions at equivalent or less cost compared with current command and control regulations and future air quality measures that would otherwise have been adopted as part of the district's plan for attainment.

(2) The program will provide a level of enforcement and monitoring, to ensure compliance with emission reduction requirements, comparable with command and control air quality measures that would otherwise have been adopted by the district for inclusion in the district's plan for attainment.

(3) The program will establish a baseline methodology that provides appropriate credit so that stationary sources of air pollution which have been modified prior to implementation of the program to reduce stationary source emissions are treated equitably.

(4) The program will not result in a greater loss of jobs or more significant shifts from higher to lower skilled jobs, on an overall districtwide basis, than that which would exist under command and control air quality measures that would otherwise have been adopted as part of the district's plan for attainment. A finding of compliance with this requirement may be made in the same manner as the analyses made by the district to meet the requirements of Section 40728.5.

(5) The program will not in any manner delay, postpone, or otherwise hinder district compliance with Chapter 10 (commencing with Section 40910) of Part 3.

(6) The program will not result in disproportionate impacts, measured on an aggregate basis, on those stationary sources included in the program compared to other permitted stationary sources in the district's attainment plan.

(d) (1) A plan or plan revision submitted to the state board prior to January 1, 1993, shall be designed to achieve equivalent emission reductions and reduced cost and job impacts compared to current command and control regulations and future air quality measures that would otherwise have been adopted as part of the district's implementation plan. The state board shall, not later than 90 days after the program has been submitted, or by April 1, 1993, whichever is sooner, determine whether the program complies with this

paragraph. A district shall not implement the program unless the state board determines that the plan or plan revision complies with this paragraph.

(2) A plan or plan revision submitted on or after January 1, 1993, shall be designed to meet the provisions of subdivision (c) and Section 40440.1 if applicable. The state board shall approve the plan or plan revision prior to program implementation, and shall make its determination not later than 90 days from submittal of the plan or plan revision.

(3) Upon the adoption of rules and regulations to implement the program, the district shall submit the rules and regulations to the state board. The state board shall, within 90 days, determine whether the rules and regulations meet the requirements of this section and Section 40440.1, if applicable. This paragraph does not prohibit the district from implementing the program upon the approval of the plan or plan revision and prior to submittal of the implementing rules and regulations.

(e) Within five years of the date of adoption of a program for the use of market-based incentives, the district board shall commence public hearings to reassess the program and shall, not later than seven years from the district's initial adoption of the program, ratify the findings required pursuant to paragraphs (1), (2), (5), and (6) of subdivision (c) and the district's compliance with Section 40440.1 if applicable, with the concurrence of the state board. If the district fails to ratify the findings within the seven-year period, the district shall make appropriate revisions to the district's plan for attainment.

(f) The district board shall reassess any program subject to this section if the market price of emission trading units exceeds a predetermined level set by the district board. The district board may take action to revise the program. A predetermined market price review level shall be set in a public hearing in consideration of the costs of command and control air quality measures that would otherwise have been adopted as part of the district's plan for attainment, costs and factors submitted by interested parties, and any other factors considered appropriate by the district. The district board may revise the market price review level for emission trading units every three years during attainment plan updates required under Section 40925. In revising the market price review level, the district board shall consider the factors used in setting the initial market price review level as well as other economic impacts, including the overall impact of the program on job loss, rate of business formation, and rate of business closure.

(g) For sources not included in market-based incentive programs, this section does not apply to, and shall in no way limit, existing district authority to facilitate compliance with particular emission control measures by imposing or authorizing sourcewide emission caps, alternative emission control plans, stationary for mobile source emission trades, mobile for mobile source emission trades, and similar measures, whether imposed or authorized by rule or permit

condition.

(h) This section does not apply to the implementation of market-based transportation control measures which do not involve emissions trading.

SEC. 2. Section 40440.1 of the Health and Safety Code is amended to read:

40440.1. (a) A market-based incentive program adopted pursuant to Section 39616 in the south coast district shall achieve emission reductions across a spectrum of sources by allowing for trading of emissions trading units for quantifiable reductions in emissions from a significant number of different sources, including mobile, area, and stationary, which are within the district's jurisdiction or which the district is authorized to include in a market-based emissions trading program.

(b) The program may be, but is not required to be, initiated with only a limited number of sources, but, as soon as practical after adoption of the initial program, the district shall amend the program to allow the trading of reductions among the sources initially included in the program and mobile, area, and other stationary sources.

(c) The intent of this section is to allow, not to require, the trading of reductions among a variety of sources. Nothing in this section confers any new authority on the district to regulate mobile, indirect, or areawide sources or to require those sources to participate in a market-based incentive program.

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

In order to clarify provisions intended to protect the public health by improving air quality, it is necessary that this act take effect immediately.

CHAPTER 145

An act to amend Section 13145 of the Food and Agricultural Code, relating to economic poisons.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 13145 of the Food and Agricultural Code is amended to read:

13145. (a) Any registrant of an economic poison identified in paragraph (1) of subdivision (b) of Section 13144 shall be subject to a fine of up to ten thousand dollars ($10,000) for each day the

groundwater protection data gap exists. In determining the amount of the fine, the director shall consider both of the following:

(1) The extent to which the registrant has made every effort to submit valid, complete, and adequate information within the required time limits.

(2) Circumstances beyond the control of the registrant that have prevented the registrant from submitting valid, complete, and adequate information within the required time limits.

(b) If there is a dispute between the director and a registrant regarding the existence of a groundwater protection data gap and the director desires to levy a fine on the registrant pursuant to this section, the director shall submit the issues of the dispute to the subcommittee created pursuant to subdivision (b) of Section 13150. The subcommittee shall review the evidence submitted by the registrant and the director and make recommendations to the director on whether or not the groundwater data gap exists.

(c) Subdivisions (a) and (b) shall not apply to pesticide products whose registration has lapsed or has been canceled, or to products that have been granted a current extension pursuant to Section 13143.

(d) The director shall, by regulation, establish a list of economic poisons that have the potential to pollute groundwater. The list shall be entitled the Groundwater Protection List. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code, the director shall immediately place all economic poisons identified in paragraph (2) of subdivision (b) of Section 13144 on the Groundwater Protection List and shall regulate the use of these economic poisons if the economic poison is intended to be applied to or injected into the soil by ground-based application equipment or by chemigation, or the label of the economic poison requires or recommends that the application be followed, within 72 hours, by flood or furrow irrigation. The director shall adopt regulations to carry out this article. The regulations shall include, but are not limited to, the following:

(1) Any person who uses an economic poison that has been placed on the Groundwater Protection List and does not file a report pursuant to Section 12979, is required to report to the county agricultural commissioner the use of the economic poison on a form prescribed by the director. The reporting deadline shall conform to the deadline established for the reporting of the use of restricted materials.

(2) Dealers of economic poisons shall make quarterly reports to the director of all sales of economic poisons that have been placed on the Groundwater Protection List to persons who are not otherwise required to file a report pursuant to either paragraph (1) or Section 12979. This report shall include lists of all sales by purchases.

CHAPTER 146

An act to amend Section 41760 of the Public Resources Code, relating to solid waste.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 41760 of the Public Resources Code is amended to read:

41760. The countywide integrated waste management plan and any amendments to the plan prepared by a city or county, except for a source reduction and recycling element, household hazardous waste element, or nondisposal facility element, or amendment thereto, shall be approved by the county and by a majority of the cities within the county which contain a majority of the population of the incorporated areas of the county, except in those counties which have only two cities, in which case the plan is subject to the approval of the city which contains a majority of the population of the incorporated areas of the county. Each city shall act upon the plan and any proposed amendment within 90 days after receipt of the amendment. If a city fails to act upon the plan or the proposed amendment within 90 days after receiving the plan or the amendment, the city shall be deemed to have approved the plan or the amendment as submitted.

CHAPTER 147

An act to amend Section 798.43 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 798.43 of the Civil Code is amended to read:

798.43. (a) Except as provided in subdivision (b), whenever a homeowner is responsible for payment of gas, water, or electric utility service, management shall disclose to the homeowner any condition by which a gas, water, or electric meter on the homeowner's site measures gas, water, or electric service for common area facilities or equipment, including lighting, provided that management has knowledge of the condition.

Management shall disclose this information prior to the inception of the tenancy or upon discovery and shall complete either of the

following:

(1) Enter into a mutual written agreement with the homeowner for compensation by management for the cost of the portion of the service measured by the homeowner's meter for the common area facilities or equipment to the extent that this cost accrues on or after January 1, 1991.

(2) Discontinue using the meter on the homeowner's site for the utility service to the common area facilities and equipment.

(b) On and after January 1, 1994, if the electric meter on the homeowner's site measures electricity for lighting mandated by Section 18602 of the Health and Safety Code and this lighting provides lighting for the homeowner's site, management shall be required to comply with subdivision (a).

CHAPTER 148

An act to add Sections 246 and 6326 to the Family Code, relating to family law.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 246 is added to the Family Code, to read:

246. An ex parte temporary restraining order described in Section 240 shall be issued or denied on the same day that the application is submitted to the court, unless the application is filed too late in the day to permit effective review, in which case the order shall be issued or denied on the next day of judicial business in sufficient time for the order to be filed that day with the clerk of the court.

SEC. 2. Section 6326 is added to the Family Code, to read:

6326. An ex parte order under this article shall be issued or denied on the same day that the application is submitted to the court, unless the application is filed too late in the day to permit effective review, in which case the order shall be issued or denied on the next day of judicial business in sufficient time for the order to be filed that day with the clerk of the court.

SEC. 3. Section 2 of this act shall become operative only if Assembly Bill 1500 of the 1993–94 Regular Session is enacted.

CHAPTER 149

An act to amend Sections 2819 and 2822 of the Civil Code, relating to sureties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 2819 of the Civil Code is amended to read:

2819. A surety is exonerated, except so far as he or she may be indemnified by the principal, if by any act of the creditor, without the consent of the surety the original obligation of the principal is altered in any respect, or the remedies or rights of the creditor against the principal, in respect thereto, in any way impaired or suspended. However, nothing in this section shall be construed to supersede subdivision (b) of Section 2822.

SEC. 2. Section 2822 of the Civil Code is amended to read:

2822. (a) The acceptance, by a creditor, of anything in partial satisfaction of an obligation, reduces the obligation of a surety thereof, in the same measure as that of the principal, but does not otherwise affect it. However, if the surety is liable upon only a portion of an obligation and the principal provides partial satisfaction of the obligation, the principal may designate the portion of the obligation that is to be satisfied.

(b) For purposes of this section and Section 2819, an agreement by a creditor to accept from the principal debtor a sum less than the balance owed on the original obligation, without the prior consent of the surety and without any other change to the underlying agreement between the creditor and principal debtor, shall not exonerate the surety for the lesser sum agreed upon by the creditor and principal debtor.

SEC. 3. The amendment of Section 2822 of the Civil Code made by Sections 1 and 2 of this act does not constitute a change in, but is declaratory of, the existing law.

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 clarify the law respecting the obligations of sureties without delay, it is necessary that this act go into effect immediately.

CHAPTER 150

An act to amend Section 27528.5 of the Health and Safety Code, relating to food facilities.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 27528.5 of the Health and Safety Code is amended to read:

27528.5. "Open-air barbecue facility" means an unenclosed facility for barbecuing food, where the food is prepared out of doors by cooking directly over hot coals, heated lava, hot stones, gas flame, or other method approved by the state department, on equipment suitably designed and maintained for use out of doors, that is operated by a food establishment, stationary mobile food preparation unit, or temporary food facility.

CHAPTER 151

An act to amend Section 1363 of the Civil Code, and to amend Sections 366.2 and 411.36 of, and to amend and renumber Section 374 of, the Code of Civil Procedure, relating to civil actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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. The association may be referred to as a community association.

(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.

(c) 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.

The association, whether incorporated or unincorporated, may

exercise the powers granted to an association by Section 383 of the Code of Civil Procedure and the powers granted to the association in this title.

(d) Meetings of the membership of the association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the association may adopt.

(e) Notwithstanding any other provision of law, notice of meetings of the members shall specify those matters the board intends to present for action by the members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action.

(f) Members of the association shall have access to association records in accordance with Article 3 (commencing with Section 8330) of Chapter 13 of Part 3 of Division 2 of Title 1 of the Corporations Code.

(g) Any member of the association may attend meetings of the board of directors of the association, except when the board adjourns to executive session to consider litigation, matters that relate to the formation of contracts with third parties, or personnel matters.

(h) Any matter discussed in executive session shall be generally noted in the minutes of the board of directors.

(i) If an association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents or rules of the association, including any monetary penalty relating to the activities of a guest or invitee of a member, the board of directors shall adopt and distribute to each member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents. The board of directors shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the members pursuant to this subdivision. The board of directors of the association shall meet in executive session if requested by the member being disciplined, and the member shall be entitled to attend the executive session.

(j) Whenever two or more associations have consolidated any of their functions under a joint neighborhood association or similar organization, members of each participating association shall be entitled to attend all meetings of the joint association other than executive sessions, (1) shall be given reasonable opportunity for participation in those meetings and (2) shall be entitled to the same access to the joint association's records as they are to the participating association's records.

(k) The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the board of directors of an association, other than an executive

session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's costs in making that distribution.

(*l*) Members of the association shall be notified in writing at the time that the pro forma budget required in Section 1365 is distributed or at the time of any general mailing to the entire membership of the association of their right to have copies of the minutes of meetings of the board of directors and how and where those minutes may be obtained.

(m) Nothing in this section shall be construed to create, expand, or reduce the authority of the board of directors of an association to impose monetary penalties on an association member for a violation of the governing documents or rules of the association.

SEC. 2. Section 366.2 of the Code of Civil Procedure is amended to read:

366.2. (a) Except as provided in subdivisions (b) and (c):

(1) If a person against whom an action may be brought on a liability of the person, whether arising in contract, tort, or otherwise, dies before the expiration of the applicable limitations period, and the cause of action survives, an action may be commenced within one year after the date of death, and the limitations period that would have been applicable does not apply.

(2) The limitations period provided in this section for commencement of an action is not tolled or extended for any reason.

(b) This section is subject to:

(1) Part 4 (commencing with Section 9000) of Division 7 of the Probate Code (creditor claims in administration of estates of decedents).

(2) Part 8 (commencing with Section 19000) of Division 9 of the Probate Code (payment of claims, debts, and expenses from revocable trust of deceased settlor).

(c) This section applies to actions brought on liabilities of persons dying on or after January 1, 1993.

SEC. 3. Section 374 of the Code of Civil Procedure is amended and renumbered to read:

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

(1) Enforcement of the governing documents.

(2) Damage to the common areas.

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

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

(b) In any action maintained by an association pursuant to paragraph (2), (3), or (4) of subdivision (a), the amount of damages recovered by the association shall be reduced by the amount of damages allocated to the association or its managing agents in direct proportion to their percentage of fault based upon principles of comparative fault. In such an action, the comparative fault of the association or its managing agents may be raised by way of defense, but shall not be the basis for any cross-action or separate action against the association or its managing agents for contribution or implied indemnity, where the only damage was sustained by the association or its members. It is the intent of the Legislature in enacting this subdivision to require that comparative fault be plead as an affirmative defense, rather than a separate cause of action, where the only damage was sustained by the association or its members.

(c) In any action involving damages described in paragraph (2), (3), or (4) of subdivision (a), the defendant or cross-defendant may allege and prove the comparative fault of the association or its managing agents as a setoff to his or her liability even if the association is not a party to the litigation or is no longer a party whether by reason of settlement, dismissal, or otherwise.

(d) Subdivisions (b) and (c) apply to actions commenced on or after January 1, 1993.

(e) Nothing in this section shall affect (1) any person's liability under Section 1431 of the Civil Code, or (2) the liability of the association or its managing agent for any act or omission which causes damages to another.

SEC. 4. Section 411.36 of the Code of Civil Procedure is amended to read:

411.36. (a) In every action brought by a common interest development association pursuant to Section 383, or cross-actions or separate actions arising therefrom for indemnity or contribution, arising out of the occupational negligence of a person holding a valid contractor's license pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, on or before the date of service of the complaint on any defendant, the plaintiff's attorney shall file the certificate specified by subdivision (b). "Occupational negligence," as used in this section, means a negligent act or omission in the construction, reconstruction, repair, or improvement of a structure or other work of improvement which is the proximate cause of a construction defect or of damage to property resulting from such a construction defect. This section does not apply to causes of action based on strict liability in tort or express contractual indemnity.

(b) A certificate shall be executed by the attorney for the plaintiff or cross-complainant declaring one of the following:

(1) That the attorney has reviewed the facts of the case, that the attorney has consulted with at least one contractor who is licensed and does business in this state or who teaches at an accredited college

or university and who is licensed in this state or any other state and who the attorney reasonably believes is knowledgeable in the relevant issues involved in the particular action, and that the attorney has concluded on the basis of that review and consultation that the named defendant or cross-defendant participated in the construction, installation, grading, or landscaping of those building elements or grounds alleged in the complaint or cross-complaint to have been negligently constructed, installed, graded, or landscaped. The person consulted may not be a party to the litigation.

(2) That the attorney was unable to obtain the consultation required by paragraph (1) because a statute of limitations would impair the action and that the certificate required by paragraph (1) could not be obtained before the impairment of the action. If a certificate is executed pursuant to this paragraph, the certificate required by paragraph (1) shall be filed within 60 days after filing the complaint.

(3) That the attorney was unable to obtain the consultation required by paragraph (1) because the attorney had made three separate good faith attempts with three separate contractors to obtain such a consultation and none of those contacted would agree to the consultation.

(c) Where a certificate is required pursuant to this section, only one certificate shall be filed, notwithstanding that multiple defendants have been named in the complaint or may be named at a later time.

(d) Where the attorney intends to rely solely on the doctrine of "res ipsa loquitur," as defined in Section 646 of the Evidence Code, or exclusively on a failure to inform of the consequences of a procedure, or both, this section shall be inapplicable. The attorney shall certify upon filing of the complaint that the attorney is solely relying on the doctrines of "res ipsa loquitur" or failure to inform of the consequences of a procedure or both, and for that reason is not filing a certificate required by this section.

(e) For purposes of this section, and subject to Section 912 of the Evidence Code, an attorney who submits a certificate as required by paragraph (1) or (2) of subdivision (b) has a privilege to refuse to disclose the identity of the contractor consulted and the contents of the consultation. The privilege shall also be held by the contractor so consulted. If, however, the attorney makes a claim under paragraph (3) of subdivision (b) that he or she was unable to obtain the required consultation with the contractor, the court may require the attorney to divulge the names of contractors refusing the consultation.

(f) A violation of this section may constitute unprofessional conduct and be grounds for discipline against the attorney, except that the failure to file the certificate required by paragraph (1) of subdivision (b), within 60 days after filing the complaint and certificate provided for by paragraph (2) of subdivision (b), shall not be grounds for discipline against the attorney.

(g) The failure to file a certificate in accordance with this section shall be grounds for a demurrer pursuant to Section 430.10 or a motion to strike pursuant to Section 435.

(h) Upon the favorable conclusion of the litigation with respect to any party for whom a certificate of merit was filed or for whom a certificate of merit should have been filed pursuant to this section, the trial court may, upon the motion of a party or upon the court's own motion, verify compliance with this section, by requiring the attorney for the plaintiff or cross-complainant who was required by subdivision (b) to execute the certificate to reveal the name, address, and telephone number of the person or persons consulted with pursuant to subdivision (b) that were relied upon by the attorney in preparation of the certificate of merit. The name, address, and telephone number shall be disclosed to the trial judge in an in-camera proceeding at which the moving party shall not be present. If the trial judge finds there has been a failure to comply with this section, the court may order a party, a party's attorney, or both, to pay any reasonable expenses, including attorney's fees, incurred by another party as a result of the failure to comply with this section.

(i) This section shall remain in effect only until January 1, 1997, and as of that date is repealed.

(j) For purposes of this section, "action" includes a complaint or cross-complaint for equitable indemnity arising out of the rendition of professional services whether or not the complaint or cross-complaint specifically asserts or utilizes the terms "professional negligence" or "negligence."

(k) This section does not apply to disputes or actions involving alleged occupational negligence of licensed contractors, where the alleged occupational negligence is in connection with work on any of the following:

(1) Any work under a construction contract for less than twenty thousand dollars ($20,000).

(2) Any work on a single-family dwelling or a residential structure containing four or fewer dwelling units.

(*l*) This section shall not become operative unless Assembly Bill 3708 of the 1991–92 Regular Session is enacted and becomes effective on or before January 1, 1993.

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:

Chapters 178, 1283, and 1332 of the Statutes of 1992 affect Section 1363 of the Civil Code and Section 374 of the Code of Civil Procedure in different ways with complex double-joining and chaptering-out consequences. In order to eliminate the confusion caused by this situation and to maintain continuity in the law, and in order to clarify existing law with regard to the survival of a cause of action, it is necessary that this act take effect immediately.

CHAPTER 152

An act to amend Section 2894 of the Public Utilities Code, relating to public utilities.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 2894 of the Public Utilities Code is amended to read:

2894. (a) Notwithstanding subdivision (e) of Section 2891, the disclosure of any information by an interexchange telephone corporation, a local exchange telephone corporation, or a radiotelephone utility, in good faith compliance with the terms of a state or federal court warrant or order or administrative subpoena issued at the request of a law enforcement official or other federal, state, or local governmental agency for law enforcement purposes, is a complete defense against any civil action brought under this chapter or any other law, including without limitation, Chapter 1.5 (commencing with Section 630) of Part 1 of Title 15 of the Penal Code, for the wrongful disclosure of that information.

(b) As used in this section:

(1) "Interexchange telephone corporation" means a telephone corporation that is a long-distance carrier.

(2) "Local exchange telephone corporation" means a telephone corporation that provides local exchange services.

(3) "Radiotelephone utility" means any public utility licensed by the Federal Communications Commission pursuant to Part 22 (commencing with Section 22.0) of Title 47 of the Code of Federal Regulations and certificated by the Public Utilities Commission to provide one-way or two-way or one-way and two-way radiotelephone services in this state.

CHAPTER 153

An act to amend Section 13332.17 of the Government Code, and to amend Sections 10343 and 10376 of the Public Contract Code, relating to contract awards.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 13332.17 of the Government Code is amended 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 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 90 days of the subsequent fiscal year. The 90-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.

SEC. 2. Section 10343 of the Public Contract Code is amended to read:

10343. Whenever a contract is awarded under a procedure providing for competitive bidding, but the contract is not to be awarded to the low bidder, the low bidder shall be given notice five working days prior to the award of the contract by telegram, electronic facsimile transmission, overnight courier, or personal delivery. Upon written request by any bidder who has submitted a bid, notice of the proposed award shall be posted in a public place in the offices of the contracting agency at least five working days prior to awarding the contract. If, prior to the award, any bidder files a protest with the state agency and department against the awarding of the contract on the ground that he or she is the lowest responsible bidder meeting the specifications for the contract, the contract shall not be awarded until either the protest has been withdrawn or the department has decided the matter.

Within five days after filing the protest, the protesting bidder shall file with the department a full and complete written statement specifying the grounds for the protest.

The department shall establish written procedures for deciding protests.

SEC. 3. Section 10376 of the Public Contract Code is amended to read:

10376. Whenever a consulting services contract is awarded under a procedure providing for competitive bidding, but the contract is not to be awarded to the low bidder, the low bidder shall be given notice five working days prior to the award of the contract by telegram, electronic facsimile transmission, overnight courier, or personal delivery. Upon written request by any bidder who has submitted a bid, notice of the proposed award shall be posted in a public place in the offices of the contracting agency at least five working days prior to awarding the contract. If, prior to the award, any bidder files a protest with the state agency and department against the awarding of the contract on the ground that he or she is

the lowest responsible bidder meeting the specifications for the contract, the contract shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter.

Within five days after filing the protest, the protesting bidder shall file with the department a full and complete written statement specifying the grounds for the protest.

The department shall establish written procedures for deciding protests.

CHAPTER 154

An act to add Section 990.9 to the Government Code, relating to civil liability.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

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

SECTION 1. Section 990.9 is added to the Government Code, to read:

990.9. Any city, county, city and county, or any other local public entity with authority to provide health care services may provide insurance or provide indemnity through self-insurance for medical or other health-care tort claims against any person who, in good faith and without compensation, renders voluntary care to low-income patients within the scope of his or her practice at a community clinic or free clinic, as those terms are defined in subdivision (a) of Section 1204 of the Health and Safety Code, serving residents within the jurisdiction of the local public entity, and who is licensed under Division 2 (commencing with Section 500) of the Business and Professions Code or under an initiative act referred to in those provisions. However, the insurance or indemnity provided pursuant to this section shall not cover liability for which there is other insurance coverage in effect.

CHAPTER 155

An act to amend Sections 7093.5, 19133, and 25782 of the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1993. Filed with Secretary of State July 19, 1993.]

I am deleting the $2,511,000 from the General Fund appropriation contained in Section 4 of Assembly Bill No. 2097.

This bill will extend statutory authority for the state to settle tax matter disputes from June 30, 1993 to June 30, 1994.

I am signing this bill because it is part of the budget solution; however, Section 4 is unnecessary because funding for this purpose was previously appropriated in Chapter 75, (Assembly Bill 102), Statutes of 1993.

With the above deletion, I hereby approve Assembly Bill No. 2097.

PETE WILSON, Governor

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

SECTION 1. Section 7093.5 of the Revenue and Taxation Code is amended to read:

7093.5. (a) (1) In addition to the authority provided by Section 7093 and subject to paragraph (2), the executive director or chief counsel, if authorized by the executive director, of the board may recommend to the State Board of Equalization, itself, a settlement of any civil tax matter disputes.

(2) No recommendation of settlement shall be submitted to the board unless and until that recommendation has been submitted by the executive director or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive director or chief counsel of the board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive director or chief counsel shall, with each recommendation of settlement submitted to the board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive director of the board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the

settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive director or chief counsel in accordance with the decision of the board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the board. Where the board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive director or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Section 7056.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the board in implementing and administering the settlement program authorized by this section.

SEC. 2. Section 19133 of the Revenue and Taxation Code is amended to read:

19133. (a) (1) Subject to paragraph (2), the executive officer or

chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter disputes.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the Franchise Tax Board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation,

and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19281) of Chapter 21.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the Franchise Tax Board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

SEC. 3. Section 25782 of the Revenue and Taxation Code is amended to read:

25782. (a) (1) Subject to paragraph (2), the executive officer or chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter dispute.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) The members of the Franchise Tax Board shall not participate in the settlement of these tax matters, except as provided in subdivision (c).

(b) Whenever a reduction of tax in excess of five hundred dollars ($500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record

shall include, but need not be limited to, all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount involved.

(3) The amount payable or refundable pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(c) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(d) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(e) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (b), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19281) of Chapter 21.

(f) This section shall apply only to civil tax matter disputes existing on July 1, 1993, with respect to which recommendations for settlement, pursuant to paragraph (2) of subdivision (a), are first submitted to the Attorney General no later than June 30, 1994, and are first submitted to the Franchise Tax Board no later than September 15, 1994.

(g) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously

implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

SEC. 4. The sum of two million five hundred eleven thousand dollars ($2,511,000) is hereby appropriated from the General Fund to the Department of Finance for allocation to the following agencies to reimburse them for costs incurred in implementing this act:

(a) To the Franchise Tax Board, in an amount equal to one million seven hundred thousand dollars ($1,700,000).

(b) To the State Board of Equalization, in an amount equal to five hundred eleven thousand dollars ($511,000).

(c) To the Department of Justice, in an amount equal to three hundred thousand dollars ($300,000).

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:

To ensure that adequate funds are available to meet the state's financial obligations and cash-flow requirements for the 1993–94 fiscal year, and reduce any residual carryover deficiency into future budgets, it is necessary that this act take effect immediately.

CHAPTER 156

An act to add and repeal Section 3570.5 of the Elections Code, and to add and repeal Section 88002.5 of the Government Code, relating to elections.

[Approved by Governor July 20, 1993. Filed with Secretary of State July 20, 1993.]

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

SECTION 1. Section 3570.5 is added to the Elections Code, to read:

3570.5. (a) The ballot pamphlet shall also contain a section, located near the front of the pamphlet, which provides a concise summary of the general meaning and effect of "yes" and "no" votes on each state measure.

(b) The summary statements required by this section shall be prepared by the Legislative Analyst. These statements are not intended to provide comprehensive information on each measure. The Legislative Analyst shall be solely responsible for determining the contents of these statements. The statements shall be available for public examination and amendment pursuant to Section 3576.

(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. 2. Section 88002.5 is added to the Government Code, to read:

88002.5. (a) The ballot pamphlet shall also contain a section, located near the front of the pamphlet, which provides a concise summary of the general meaning and effect of "yes" and "no" votes on each state measure.

(b) The summary statements required by this section shall be prepared by the Legislative Analyst. These statements are not intended to provide comprehensive information on each measure. The Legislative Analyst shall be solely responsible for determining the contents of these statements. The statements shall be available for public examination and amendment pursuant to Section 88006.

(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. 3. The Legislature finds and declares that Section 2 of this act furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 157

An act to add Article 7.5 (commencing with Section 1820) to Chapter 1 of Division 2.5 of the Welfare and Institutions Code, relating to juvenile offenders, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1993. Filed with Secretary of State July 21, 1993.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) California counties are seriously threatened by adverse fiscal circumstances which, among other things, will result in severe cuts to law enforcement and probation departments statewide, and threaten the safety and welfare of the public.

(b) Seven out of every 10 arrested juveniles are referred to probation, and more than seven out of eight juvenile offenders in the state are actively supervised by probation, many of these juveniles are placed in county juvenile camps and ranches operated by probation departments.

(c) The County Justice System Subvention Program was intended to avoid costly state commitments of juvenile offenders by helping counties maintain and improve local correctional systems and

facilities. Because of county fiscal constraints and capped level of state funds under the County Justice System Subvention Program, local juvenile corrections systems and facilities cannot be maintained at present levels.

(d) In 1985, funding to local probation departments under the County Justice System Subvention Program totaled sixty-four million dollars ($64,000,000). In 1989, funding totaled sixty-seven million dollars ($67,000,000). Current funding under state budgetary realignment is less than thirty-four million dollars ($34,000,000), a 50 percent reduction to counties from 1989 funding levels. State funding losses severely discourage viable alternatives to group home and California Youth Authority placements for court wards.

(e) The state's resources for serving delinquent children have been directed to the most expensive types of care: out-of-home placement in group homes and the California Youth Authority.

(f) A 1990 study showed that during the preceding five years, group homes costs increased by 34 percent and California Youth Authority costs increased by 15 percent while county camps, which are funded entirely by county funds, showed less than a 2-percent increase in monthly costs per child. As a result, group homes in 1989 cost approximately 50 percent more per month than camps, while California Youth Authority costs, even with overcrowding, average approximately 30 percent more per month than camps.

(g) Camp programs have proved to be the state's single most effective institutional program for reducing juvenile criminal recidivism. In Los Angeles County, more than 4,500 young people are committed to camps annually. The average probation ward advances one grade level during each four months of his or her stay. Approximately 60 percent of camp graduates are not rearrested.

(h) Many county camps have, or will be, shut down. In Los Angeles County for example, 19 of 20 probation camps, housing more than 4,000 youths annually, have been administratively ordered to close by May 1, 1993. These camp closures mean transfer of juvenile offenders to more expensive and less appropriate treatment facilities, either California Youth Authority or group homes, or early release back to the community.

(i) Closure of camps will result in a permanent shift of fiscal responsibility for juveniles to the state. Youth Authority commitments and foster care placements are more expensive than probation camps. For example, Los Angeles County estimates that the state fiscal obligation created by camp closures could be as high as one hundred eighty million dollars ($180,000,000).

(j) The responsibility for the prevention, discipline, and treatment of juvenile offenders should be shared by local, state, and federal governments.

(k) The federal government is currently sponsoring pilot juvenile boot camp projects in three states. The program emphasizes discipline, treatment, and work in a highly structured residential environment that employs military drills and discipline as well as

education, drug counseling, and employment readiness services.

(*l*) The Legislature recognizes that the local and state governments must address the immediate threat of camp closures while the federal government will not increase its participation in juvenile offender programs this federal fiscal year. Therefore, it is the intent of the Legislature that the local and state governments form an immediate partnership for the provision of local juvenile offender programs. It is the further intent of the Legislature that once federal funds become available for local juvenile offender programs, including boot camp programs, the state and local partnership created pursuant to this measure shall be the principal mechanism by which the state will participate in federally funded programs for juvenile offenders.

(m) Several counties currently employ boot camp elements in their juvenile ranches, camps, and forestry camps, and it is the intent of the Legislature that the state and counties that utilize boot camp techniques use these existing boot camps as a basis for federal participation.

SEC. 2. Article 7.5 (commencing with Section 1820) is added to Chapter 1 of Division 2.5 of the Welfare and Institutions Code, to read:

Article 7.5. Juvenile Offender Local Prevention and Corrections Act

1820. This article shall be known and may be cited as the Juvenile Offender Local Prevention and Corrections Act.

1820.05. For purposes of this article, "partnership funds" means the state's share of funding for county juvenile ranches, camps, and forestry camps.

1820.1. Partnership funds shall be used only for the purpose of confinement, discipline, and treatment of juvenile offenders in county juvenile ranches, camps, or forestry camps.

1820.15. (a) The Department of the Youth Authority shall establish and implement the Juvenile Offender Local Prevention and Corrections Program.

(b) The purpose of the program required by subdivision (a) shall be to coordinate state and local efforts to confine, discipline, treat, and prevent juvenile offenders and to provide partnership funding for county juvenile ranches, camps, and forestry camps established pursuant to Section 880.

1820.2. The Department of the Youth Authority shall, in the implementation of this article, do all of the following:

(a) Determine county eligibility for partnership funding.

(b) Distribute partnership funds to qualified counties quarterly based on the average daily population of the county's juvenile ranches, camps, and forestry camps for the previous fiscal quarter.

(c) Monitor county compliance with eligibility requirements.

(d) Provide technical assistance to counties to prevent

unnecessary commitments to the Department of the Youth Authority and to expand the capacity of the counties to confine, discipline, and treat juvenile offenders in a manner consistent with public safety.

1820.25. A county may apply to receive partnership funds under this article by submitting an application to the department in a manner and at a time determined by the department.

1820.3. A county shall be eligible for the receipt of partnership funds under this article only if the county meets all of the following conditions:

(a) The county administers one or more juvenile ranches, camps, or forestry camps.

(b) The county's juvenile ranches, camps, or forestry camps possess, at a minimum, all of the following:

(1) A residential treatment program.

(2) A structured and disciplined program for each resident.

(3) Individual counseling.

(4) Physical fitness training.

(5) Social alternatives to gangs, drugs, and alcohol, including gang intervention programs where appropriate.

(6) Work experience and vocational training through work crew assignments.

(7) Access to certified, accredited courses in language arts, mathematics, science, social studies, computer laboratories, and basic reading and writing skills, with an emphasis on remedial education.

(8) Coordination with parents or guardians in preparation for family reunification.

However, the Director of Youth Authority, upon request of a county, may waive services required in paragraphs (3), (6), and (7), as appropriate, if the provision of those services is not feasible or necessary, as demonstrated by the county.

(c) The county program does all of the following:

(1) It provides a positive reinforcing environment that redirects physical, social, and emotional energies into constructive channels.

(2) It emphasizes responsibility for one's actions.

(3) It employs goal-setting methods to maximize self-discipline, self-confidence, and sense of pride.

(d) The county maintains at least the same number of beds as were available on June 30, 1993. The director, upon request of a county, may waive this requirement if the county demonstrates it is unable to comply due to unforeseen circumstances.

1820.4. It is the intent of the Legislature that counties that do not operate juvenile camps or ranches, but instead contract for beds with counties that do, shall benefit from partnership funding via reduced contract costs, based on the host county's cost of providing the bed, excluding the state contribution.

1820.45. (a) (1) The Department of the Youth Authority shall work with counties to develop boot camp programs, either separately or as part of existing ranches, camps, and forestry camps.

(2) Boot camps shall provide the same services as juvenile ranches, camps, and forestry camps but shall be conducted in a highly structured, military style environment.

(3) Boot camps shall include greater emphasis on physical conditioning, athletics, and team building than county juvenile ranches, camps, or forestry camps.

(b) It is the intent of the Legislature that the Department of the Youth Authority and participating counties shall develop a comprehensive boot camp program that incorporates the relevant design features of the federal juvenile boot camp pilot project. It is also the intent of the Legislature that the comprehensive boot camp program should include diagnostic assessment, community-based aftercare, and accountability.

1820.5. (a) It is the intent of the Legislature that, commencing with the 1994–95 fiscal year, this article shall be funded by the federal government, the state, and eligible counties.

(b) It is the intent of the Legislature that the amount of funding from each source identified in paragraph (1) shall be determined in the Budget Act of 1994.

1820.55. The Department of the Youth Authority shall adopt emergency regulations for implementation of this article.

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

Several counties are planning to close juvenile camps by July 1, 1993, and in order to implement this act in a timely manner to prevent the loss of services for youth in need, it is necessary that this act take effect immediately.

CHAPTER 158

An act to amend and repeal Sections 4777 and 4789 of the Civil Code, to amend Sections 116.820 and 695.220, and to amend and repeal Section 664.5, of the Code of Civil Procedure, to amend Sections 6103.5, 6159, 26824, 26828, 26829, 26830, 26834, 26839, 68085, 68097, 68097.1, 68097.2, 68502.5, 68540, 68541, 68542, 68543.5, 68543.7, 68543.8, 68544, 68545, 68926.1, 71386, 72059, and 77207 of, to add Section 26205.8 to, to repeal and add Sections 77200 and 77205.3 of, and to repeal Sections 68540.5, 68541.5, and 72055.2 of, the Government Code, to amend Sections 1203.1b, 1463.001, and 1463.007 of the Penal Code, and to amend Sections 1804, 12808, 40509, and 40509.5 of, and to add Sections 13365.5 and 40509.1 to, the Vehicle Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1993. Filed with Secretary of State July 21, 1993.]

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

SECTION 1. Section 4777 of the Civil Code is amended to read:

4777. (a) The costs of the Family Law Evaluator, such staff as is necessary to assist the Family Law Evaluator, and the cost of the booklet describing the program, if any, shall be borne by an increase and an equalization of filing fees in San Mateo County to one hundred fifty dollars ($150) for all petitions for marital dissolution, annulment, and legal separation, and all first papers on behalf of respondents in actions for marital dissolution, annulment, and legal separation. Alternatively, the costs associated with this pilot program may be paid from other funding sources.

(b) A donation of computers, printers, software, and other equipment shall be solicited from existing hardware and software providers.

(c) This section shall be repealed on July 1, 1994, unless a later enacted statute, which is enacted before July 1, 1994, deletes or extends that date.

SEC. 2. Section 4789 of the Civil Code is amended to read:

4789. (a) The costs of the pilot project shall be borne by an equalization of filing fees in Santa Clara County for all petitions for marital dissolution, annulment, and legal separation, and all first papers on behalf of respondents in actions for marital dissolution, annulment, and legal separation and by equalization of filing fees for motions and responsive pleadings.

(b) A donation of computers, printers, software, and other equipment shall be solicited from existing hardware and software providers.

(c) The court shall administer funds for the various components of the pilot program.

(d) This section shall be repealed on July 1, 1994, unless a later enacted statute, which is enacted before July 1, 1994, deletes or extends that date.

SEC. 3. Section 116.820 of the Code of Civil Procedure is amended to read:

116.820. (a) The judgment of a small claims court may be enforced as provided in Title 9 (commencing with Section 680.010) of Part 2 and in Sections 674 and 1174 on the enforcement of judgments of other courts. A judgment of the superior court after a hearing on appeal, and after transfer to the small claims court under subdivision (d) of Section 116.780, may be enforced like other judgments of the small claims court, as provided in Title 9 (commencing with Section 680.010) of Part 2 and in Sections 674 and 1174 on the enforcement of judgments of other courts.

(b) Fees as provided in Sections 26828, 26830, and 26834 of the Government Code shall be charged and collected by the clerk for the

issuance of a writ of execution, an order of examination of a judgment debtor, or an abstract of judgment.

(c) The prevailing party in any action subject to this chapter is entitled to the costs of enforcing the judgment and accrued interest.

SEC. 3.05. Section 664.5 of the Code of Civil Procedure is amended to read:

664.5. (a) In any contested action or special proceeding other than a proceeding for voidable marriage pursuant to the Family Law Act (Title 2 (commencing with Section 4400) or dissolution of marriage, legal separation and summary dissolution pursuant to Title 3 (commencing with Section 4500) of the Civil Code), a small claims action, or an action or proceeding in which a prevailing party is not represented by counsel, the party submitting an order or judgment for entry shall prepare and mail a copy of the notice of entry of judgment to all parties who have appeared in the action or proceeding and shall file with the court the original notice of entry of judgment together with the proof of service by mail.

(b) Promptly upon entry of judgment in a contested action or special proceeding in which a prevailing party is not represented by counsel, the clerk of the court shall mail notice of entry of judgment to all parties who have appeared in the action or special proceeding and shall execute a certificate of such mailing and place it in the court's file in the cause.

(c) For purposes of this section, "judgment" includes any judgment, decree, or signed order from which an appeal lies.

Upon order of the court in any action or special proceeding, the clerk shall mail notice of entry of any judgment or ruling, whether or not appealable.

SEC. 3.1. Section 664.5 of the Code of Civil Procedure, as amended by Chapter 163 of the Statutes of 1992, is repealed.

SEC. 3.2. Section 695.220 of the Code of Civil Procedure is amended to read:

695.220. Money received in satisfaction of a money judgment, except a money judgment for child support, is to be credited as follows:

(a) The money is first to be credited against the amounts described in subdivision (b) of Section 685.050 that are collected by the levying officer.

(b) Any remaining money is next to be credited against any fee due the court pursuant to Section 6103.5 of the Government Code, which are to be remitted to the court by the levying officer.

(c) Any remaining money is next to be credited against the accrued interest that remains unsatisfied.

(d) Any remaining money is to be credited against the principal amount of the judgment remaining unsatisfied. If the judgment is payable in installments, the remaining money is to be credited against the matured installments in the order in which they matured.

(e) Satisfaction of a money judgment for child support is to be credited as follows:

(1) The money is first to be credited against the current month's support.

(2) Any remaining money is next to be credited against the accrued interest that remains unsatisfied.

(3) Any remaining money is to be credited against the principal amount of the judgment remaining unsatisfied.

(4) Notwithstanding the above, a collection received as a result of a tax refund offset is first to be credited against past due support assigned to the state prior to satisfaction pursuant to paragraphs (1), (2), and (3).

SEC. 3.3. Section 6103.5 of the Government Code is amended to read:

6103.5. (a) Whenever a judgment is recovered by a public agency named in Section 6103, either as plaintiff or petitioner or as defendant or respondent, in any action or proceeding to begin, or to defend, which under the provisions of Section 6103 no fee for any official service rendered by the clerk of the court, including, but not limited to, the services of filing, certifying, and preparing transcripts, nor fee for service of process or notices by a sheriff, marshal, or constable has been paid, other than in a condemnation proceeding, quiet title action, action for the forfeiture of a fish net or nets or action for the forfeiture of an automobile or automobiles, the clerk entering the judgment shall include as a part of the judgment the amount of the filing fee and the amount of the fee for the service of process or notices which would have been paid but for Section 6103, designating it as such. The clerk entering the judgment shall include as part of the judgment the amount of the fees for certifying and preparing transcripts if the court has, in its discretion, ordered those fees to be paid. When an amount equal to the clerk's fees and the fees for service of process and notices is collected upon that judgment, those amounts shall be due and payable to the clerk and the serving officer respectively. The clerk shall ascertain from the serving officer's return the amount of fees he or she would have charged had it not been for the provisions of Section 6103. Remittances of the amounts so due shall be made within 45 days by the fiscal officer of the plaintiff or petitioner or respondent or defendant in the action or proceeding unless those fees have been collected by the levying officer and remitted to the court. No interest shall be computed or charged on the amount of the fee.

(b) If the remittance is not received within 45 days of the filing of a partial satisfaction of judgment in an amount at least equal to the fees due to the clerk or a satisfaction of judgment has been filed, notwithstanding any other provision of law, the court may issue a writ of execution for recovery from the public agency of those fees plus the fees for issuance and execution of the writ plus a fee for administering this section.

(c) The board of supervisors shall set a fee, not to exceed the actual costs of administering this section, up to a maximum of twenty-five dollars ($25), which shall be added to the writ of

execution.

SEC. 3.4. Section 6159 of the Government Code is amended to read:

6159. (a) As used in this section:

(1) "Credit card" means any card, plate, coupon book, or other credit device existing for the purpose of being used from time to time upon presentation to obtain money, property, labor, or services on credit.

(2) "Card issuer" means any person who issues a credit card and purchases credit card drafts or the agent of such person for such purposes with respect to such card.

(3) "Cardholder" means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

(4) "Draft purchaser" means any person who purchases credit card drafts.

(b) Subject to the provisions of subdivision (c), a court, city, county, city and county, or other public agency may authorize the acceptance of a credit card for any of the following:

(1) The payment for the deposit of bail or for any fine for any offense not declared to be a felony.

(2) The payment of a filing fee or other court fee.

(3) The payment of any towage or storage costs for a vehicle which has been removed from a highway, or from public or private property, as a result of parking violations.

(4) The payment of child or spousal support, including reimbursement of public assistance, related fees, costs, or penalties, with the authorization of the cardholder.

(5) The payment for services rendered by any city, county, or city and county.

(c) A court desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of its county board of supervisors. A city desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of its city council. Any other public agency desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of the governing body which has fiscal responsibility for such agency. After approval is obtained, a contract may be executed with one or more credit card issuers or draft purchasers. The contract shall provide for:

(1) The respective rights and duties of the court, city, county, city and county, or other public agency and card issuer or draft purchaser regarding the presentment, acceptability and payment of credit card drafts.

(2) The establishment of a reasonable means by which to facilitate payment settlements.

(3) The payment to the card issuer or draft purchaser of a reasonable fee or discount.

(4) Such other matters appropriately included in contracts with respect to the purchase of credit card drafts as may be agreed upon by the parties to the contract.

(d) The honoring of a credit card pursuant to subdivision (b) hereof constitutes payment of the amount owing to the court, city, county, city and county, or other public agency as of the date the credit card is honored provided the credit card draft is paid following its due presentment to a card issuer or draft purchaser.

(e) If any credit card draft is not paid following due presentment to a card issuer or draft purchaser or is charged back to the court, city, county, city and county, or other public agency for any reason, any record of payment made by the court, city, or other public agency honoring the credit card shall be void. Any receipt issued in acknowledgment of payment shall also be void. The obligation of the cardholder shall continue as an outstanding obligation as though no payment had been attempted.

(f) Notwithstanding Title 1.3 (commencing with Section 1747) of Part 4 of Division 3 of the Civil Code, a court, city, county, city and county, or any other public agency may impose a fee for the use of a credit card, not to exceed the costs incurred by the agency in providing for payment by credit card. These costs may include, but shall not be limited to, the payment of fees or discounts as specified in paragraph (3) of subdivision (c). Any fee imposed pursuant to this subdivision for the use of a credit card shall be approved by the governing body responsible for the fiscal decisions of the public agency.

(g) Fees or discounts provided for under paragraph (3) of subdivision (c) shall be deducted or accounted for prior to any statutory or other distribution of funds received from the card issuer or draft purchaser to the extent not recovered from the cardholder pursuant to subdivision (f).

SEC. 3.5. Section 26205.8 is added to the Government Code, to read:

26205.8. Notwithstanding any other provision of law relating to the destruction of attorney-client information or county records, at the request of the public defender, the board of supervisors may authorize the destruction of nonfelony public defender records eight years after final disposition of a case.

SEC. 4. Section 26824 of the Government Code is amended to read:

26824. The fee for filing a notice of appeal from a municipal or justice court in a civil action or a special proceeding is fifty dollars ($50). The Judicial Council may make rules governing the time and method of payment and providing for excuse.

SEC. 5. Section 26828 of the Government Code is amended to read:

26828. The fee for issuing a writ of attachment, a writ of mandate, a writ of execution, a writ of sale, a writ of possession, a writ of prohibition, or any other writ for the enforcement of any order or

judgment is seven dollars ($7).

SEC. 6. Section 26829 of the Government Code is amended to read:

26829. The fee for issuing an order of sale is twenty dollars ($20).

SEC. 7. Section 26830 of the Government Code is amended to read:

26830. (a) Except as provided in subdivision (b), the fee for filing any notice of motion, or any other paper requiring a hearing subsequent to the first paper, or any notice of intention to move for a new trial of any civil action or special proceeding, or an application for renewal of a judgment, is fourteen dollars ($14).

However, there shall be no fee for filing any of the following:

(1) An amended notice of motion.

(2) A memorandum that a civil case is at issue.

(3) A hearing on a petition for emancipation of a minor.

(4) Default hearings.

(5) A show-cause hearing on a petition for an injunction prohibiting harassment.

(6) A show-cause hearing on an application for an order prohibiting domestic violence.

(7) A show-cause hearing on writs of review, mandate, or prohibition.

(8) A show-cause hearing on a petition for a change of name.

(9) A hearing to compromise a claim of a minor or an insane or incompetent person.

(b) The fee for filing a motion for summary judgment or summary adjudication of issues is one hundred dollars ($100).

SEC. 8. Section 26834 of the Government Code is amended to read:

26834. The fee for issuing an abstract of judgment is seven dollars ($7).

SEC. 9. Section 26839 of the Government Code is amended to read:

26839. For an exemplification of a record or other paper on file, the fee is twenty dollars ($20) and the charges allowed for copying or comparing.

SEC. 10. Section 68085 of the Government Code is amended to read:

68085. (a) There is hereby established the Trial Court Trust Fund, the proceeds of which may only be expended, upon appropriation by the Legislature, for the purpose of funding trial court operations, as defined in Section 77003.

(b) Notwithstanding any other provision of law, the fees listed in subdivision (c) shall all be deposited upon collection in a special account in the county treasury, and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(c) Except as specified in subdivision (d), this section applies to all fees collected pursuant to Sections 26820.4, 26826, 26827, 68086, 72055, and 72056.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 which is allocated for dispute resolution pursuant to Section 470.3 of the Business and Professions Code, the county law library pursuant to Section 6320 of the Business and Professions Code, the Judges' Retirement Fund pursuant to Section 26822.3, automated recordkeeping or conversion to micrographics pursuant to Sections 26863 and 68090.7, and courthouse financing pursuant to Section 76238.

Notwithstanding any other provision of law, no agency shall take action to change the amounts allocated to any of the above funds.

SEC. 11. Section 68097 of the Government Code is amended to read:

68097. Witnesses in civil cases may demand the payment of their mileage and fees for one day, in advance, and when so demanded shall not be compelled to attend until the allowances are paid except as hereinafter provided for employees of the Department of Justice who are peace officers or analysts in technical fields, members of the California Highway Patrol, members of the California State Police, peace officer members of the State Fire Marshal's office, other state employees, sheriffs, deputy sheriffs, marshals, deputy marshals, district attorney inspectors, probation officers, building inspectors, firefighters, and city police officers.

For the purposes of this section and Sections 68097.1 through 68097.10, the term "member of the California Highway Patrol" shall include those persons employed as vehicle inspection specialists by the California Highway Patrol.

SEC. 12. Section 68097.1 of the Government Code is amended to read:

68097.1. (a) Whenever an employee of the Department of Justice who is a peace officer or an analyst in a technical field, member of the California Highway Patrol, member of the California State Police, peace officer member of the State Fire Marshal's office, sheriff, deputy sheriff, marshal, deputy marshal, district attorney inspector, probation officer, building inspector, firefighter, or city police officer is required as a witness before any court or other tribunal in any civil action or proceeding in connection with a matter regarding an event or transaction which he or she has perceived or investigated in the course of his or her duties, a subpoena requiring his or her attendance may be served by delivering a copy either to the person personally or by delivering two copies to his or her immediate superior or agent designated by that immediate superior to receive that service.

(b) Whenever any other state employee is required as a witness before any court or other tribunal in any civil action or proceeding in connection with a matter, event, or transaction concerning which he or she has expertise gained in the course of his or her duties, a subpoena requiring his or her attendance may be served by delivering a copy either to the person personally or by delivering two

copies to his or her immediate superior or agent designated by that immediate superior to receive that service.

(c) The attendance of any person described in subdivisions (a) and (b) may be required pursuant to this section only in accordance with Section 1989 of the Code of Civil Procedure.

(d) As used in this section and in Sections 68097.2 and 68097.5, "tribunal" means any person or body before whom or which attendance of witnesses may be required by subpoena, including an arbitrator in arbitration proceedings.

SEC. 13. Section 68097.2 of the Government Code is amended to read:

68097.2. (a) 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, any firefighter, or any state employee, or county employee, who is obliged by a subpoena issued pursuant to Section 68097.1 to attend as a witness, shall receive the salary or other compensation to which he or she is normally entitled from the public entity by which he or she is employed during the time that he or she travels to and from the place where the court or other tribunal is located and while he or she is required to remain at that place pursuant to the subpoena. He or she shall also receive from the public entity by which he or she is employed the actual necessary and reasonable traveling expenses incurred by him or her in complying with the subpoena.

(b) The party at whose request the subpoena is issued shall reimburse the public entity for the full cost to the public entity incurred in paying the peace officer, firefighter, state employee, or specified county employee his or her salary or other compensation and traveling expenses as provided for in this section, for each day that the peace officer, firefighter, state employee, or specified county employee is required to remain in attendance pursuant to the subpoena. The amount of one hundred fifty dollars ($150), together with the subpoena, shall be tendered to the person accepting the subpoena for each day that the peace officer, firefighter, state employee, or specified county employee is required to remain in attendance pursuant to the subpoena.

(c) If the actual expenses should later prove to be less than the amount tendered, the excess of the amount tendered shall be refunded.

(d) If the actual expenses should later prove to be more than the amount deposited, the difference shall be paid to the public entity by the party at whose request the subpoena is issued.

(e) If a court continues a proceeding on its own motion, no additional witness fee shall be required prior to the issuance of a subpoena or the making of an order directing the peace officer, firefighter, or state employee to appear on the date to which the proceeding is continued.

SEC. 13.05. Section 68502.5 of the Government Code is amended to read:

68502.5. (a) The Judicial Council shall provide by rule for the appointment of a standing Trial Court Budget Commission and the deadlines for meeting its various responsibilities. The commission shall have the authority to:

(1) Receive and review budget requests from the trial courts.

(2) Annually submit a recommended trial court budget to the Judicial Council for approval and forwarding to the Governor for inclusion in the Governor's proposed State Budget.

(3) Prepare a recommended schedule for the allocation of moneys to individual courts for approval by the Judicial Council and forwarding to the Governor for inclusion in the Governor's proposed State Budget.

(4) Reallocate funds in accordance with Judicial Council rules during the course of the fiscal year to ensure equal access to the trial courts by the public, to improve trial court operations, and to meet trial court emergencies. Reallocations shall be limited to 15 percent of that portion of any court's annual budget amount funded by the state, excluding any amount derived from trial court block grants appropriated to a county by the Legislature. Counties shall have no obligation to replace moneys reallocated pursuant to this paragraph.

(5) Allocate funds in the Trial Court Improvement Fund in accordance to Judicial Council rules to ensure equal access to trial courts by the public, to improve trial court operations, and to meet trial court emergencies.

(6) At the request of the presiding judge of a trial court, conduct an independent review of the funding level of the court to determine whether it is adequate to enable the court to discharge its statutory and constitutional responsibilities.

(7) From time to time, review the level of fees charged by the courts for various services and prepare recommended adjustments for approval and forwarding to the Legislature by the Judicial Council.

(b) Members of the commission shall receive no compensation from the state for their services. When called into session, they shall receive their actual and necessary expenses for travel, board, and lodging, which shall be paid from the funds appropriated for this use. These expenses shall be appropriated in the manner as the Judicial Council directs, and shall be audited by the Controller in accordance with the rules of the Board of Control.

SEC. 13.1. Section 68540 of the Government Code is amended to read:

68540. The state shall pay the additional compensation of a judge of a municipal or justice court, assigned to a superior court.

SEC. 13.2. Section 68540.5 of the Government Code is repealed.

SEC. 13.3. Section 68541 of the Government Code is amended to read:

68541. (a) The compensation of a judge of a justice court who receives a part-time salary and who is assigned by the Chairperson of the Judicial Council to serve in a court in a county other than that

in which he or she was elected or appointed shall be paid by the state.

(b) If a justice court judge is assigned to another justice court, except for exchange assignments as defined by rules adopted by the Judicial Council, the salary of the office to which he or she is assigned shall, for purposes of Section 68540.7, be deemed to be equivalent to the salary paid a justice court judge certified pursuant to Section 68202.5 of the Government Code.

SEC. 13.4. Section 68541.5 of the Government Code is repealed.

SEC. 13.5. Section 68542 of the Government Code is amended to read:

68542. The expenses for travel, board, and lodging of each judge assigned to a superior, municipal, or justice court in a county other than that in which he or she regularly sits shall be paid by the state under the rules adopted by the Board of Control which are applicable to officers of the state provided for in Article VI of the Constitution while traveling on official state business.

SEC. 13.6. Section 68543.5 of the Government Code is amended to read:

68543.5. (a) Whenever a judge retired as such under the Judges' Retirement Law is assigned to serve in a trial court, the state shall pay the judge for each day of service in the court in the amount specified in Section 68543.7, without loss or interruption of retirement benefits, unless the judge waives compensation under this section. Whenever a retired judge of a justice court who is not under the Judges' Retirement Law is assigned to serve in a trial court the state shall pay the judge for each day of service in the court in the amount specified in Section 68543.7, or the compensation specified in Section 68541, whichever is greater. The compensation shall be paid by the Judicial Council out of any appropriation for extra compensation of judges assigned by the Chairperson of the Judicial Council.

If a judge retired as such under the Judges' Retirement Law is assigned to serve in a trial court, the 8 percent difference between the compensation of the retired judge while so assigned and the compensation of a judge of the court to which assigned shall be paid to the Judges' Retirement Fund.

During the period of assignment, a retired judge shall be allowed expenses for travel, board, and lodging incurred in the discharge of the assignment. When assigned to sit in the county in which he or she resides, the judge shall be allowed expenses for travel, and board incurred in the discharge of the assignment. The expenses for travel, board, and lodging shall be paid by the state under the rules adopted by the Board of Control which are applicable to officers of the state provided for in Article VI of the Constitution while traveling on official state business.

Notwithstanding the above provisions pertaining to compensation, a retired judge on senior judge status shall receive compensation from the state as provided in Sections 75028 and 75028.2, and shall be allowed expenses for travel, board, and lodging incurred in the

discharge of the assignment as provided in this section.

(b) Whenever a judge retired as such under the Judges' Retirement Law is assigned to sit in a court of appeal or the Supreme Court, he or she shall be compensated while so sitting at a rate equal to 92 percent of the full compensation of a judge of the court to which he or she is assigned unless the judge waives compensation under this section. A retired judge of a justice court who is not under the Judges' Retirement Law and who is assigned to sit in a court of appeal or the Supreme Court shall be compensated while so sitting at the full compensation of a judge of the court to which he or she is assigned, or the compensation specified in Section 68541, whichever is greater. The compensation shall be chargeable for the period specified in Section 68547 the same as provided by law with respect to the compensation of a judge of the court to which he or she is assigned and the compensation is payable out of any appropriation for extra compensation of judges assigned by the Chairperson of the Judicial Council.

If the compensation is greater than the judge's retirement allowance, the state shall pay the judge the difference between the compensation and the retirement allowance. The state shall reimburse the Judges' Retirement Fund for the retirement allowance paid to the judge while sitting on assignment, except that if no allowance has been paid because the judge has taken deferred retirement, no reimbursement shall be paid to the Judges' Retirement System.

If the compensation would be less than his or her retirement allowance, the retirement allowance shall continue to be paid in lieu of the compensation. The state shall reimburse the Judges' Retirement Fund in the amount of the compensation which would otherwise have been paid to the judge while sitting on assignment.

If a judge retired under the Judges' Retirement Law is assigned to sit in a court of appeal or the Supreme Court, the 8 percent difference between the compensation of the retired judge while so assigned and the compensation of a judge of the court to which assigned shall be paid to the Judges' Retirement Fund.

During the period of assignment, a retired judge shall be allowed expenses for travel, board, and lodging incurred in the discharge of the assignment. When assigned to sit in the county in which he or she resides, the judge shall be allowed expenses for travel, and board incurred in the discharge of the assignment. The expenses for travel, board, and lodging shall be paid by the state under the rules adopted by the State Board of Control which are applicable to officers of the state provided for in Article VI of the Constitution while traveling on official state business.

Notwithstanding the above provisions pertaining to compensation, a retired judge on senior judge status shall receive compensation from the state as provided in Sections 75028 and 75028.2, and shall be allowed expenses for travel, board, and lodging incurred in the discharge of the assignment as provided in this section.

SEC. 14. Section 68543.7 of the Government Code is amended to read:

68543.7. Subject to funding in the Budget Act, the Chief Justice shall make available by assignment the equivalent of 50 additional full-time judges. A judge retired under the Judges' Retirement System sitting on assignment in a trial court shall be paid in the amount of 92 percent of 1/250th of the annual salary of a judge of the court to which he or she is assigned for each day of service in the court.

SEC. 14.1. Section 68543.8 of the Government Code is amended to read:

68543.8. (a) The Legislature finds that there is a shortage of judicial officers available to provide temporary assistance to courts in rural counties, under assignment by the chief justice. When courts are unable to obtain temporary assistance, delay of both civil trials and case settlements occur. The availability of an assigned judge can substantially reduce these delays. The purpose of this section is to make judicial assistance more available.

(b) The Judicial Council shall contract with up to 10 retired judges who shall be available to be assigned up to 110 court days each year by the Chairperson of the Judicial Council to courts in counties which have requested these judges for purposes of reducing delays in civil trials in those courts. If counties request more than 10 retired judges pursuant to this section, the Judicial Council shall give priority in assigning the retired judges to counties with fewer than 10 judges.

A judge under contract pursuant to this section shall serve as assigned during the period of the contract and waives any right to refuse assignment as otherwise provided by law. This section shall not be construed to limit the authority of the Chief Justice to make assignments to expedite judicial business and to equalize the workload of judges.

(c) Notwithstanding Section 68543.5, each judge under contract pursuant to this section shall receive one-half of the daily salary of a superior court judge for each day of service, in addition to any retirement benefits to which the judge may be entitled.

(d) The assigned judge's salary shall be paid by the state. A retired judge under contract pursuant to this section shall be allowed expenses for travel, board, and lodging incurred in the discharge of each assignment. When assigned to sit in the county in which he or she resides, the judge shall be allowed necessary and reasonable expenses for travel and board incurred in the discharge of the assignment. The expenses for travel, board, and lodging shall be paid by the state under the rules adopted by the State Board of Control which are applicable to officers of the state provided for in Article VI of the California Constitution while traveling on official state business.

SEC. 14.2. Section 68544 of the Government Code is amended to read:

68544. When the judge files a claim, the State Controller shall

draw his or her warrants for the payment of extra compensation or expenses as provided in this article.

SEC. 14.3. Section 68545 of the Government Code is amended to read:

68545. The payments by the state toward the extra compensation and expenses provided in this article shall be made from the money appropriated for the support of the Judicial Council.

SEC. 15. Section 68926.1 of the Government Code is amended to read:

68926.1. Upon filing a notice of appeal for which a fee is paid pursuant to Section 68926, the appellant shall deposit the sum of one hundred dollars ($100) with the clerk of the originating court. The deposit shall be credited against the amount chargeable for the preparation of the clerk's transcript or any other appeal processing or notification.

The deposit shall be forfeited in the event of abandonment or dismissal of appeal prior to filing of the record in the reviewing court.

SEC. 16. Section 71386 of the Government Code is amended to read:

71386. (a) Each superior, municipal, and justice court shall adopt a written policy, consistent with rules adopted by the Judicial Council, governing the acceptance of checks and money orders in payment of any fees, fines, or bail deposits. Such policy shall permit clerks to accept checks and money orders under conditions which tend to assure their validity.

(b) A court shall accept a personal check, bank cashier's check, or money order for payment of any fee or fine, or for a deposit of bail for any offense which is not declared to be a felony, provided such check or money order meets the criteria established in subdivision (a), however, no court shall be required to accept a check in excess of three hundred dollars ($300) from a defendant in custody as a deposit of bail for any alleged violation of the Penal Code.

(c) The acceptance of a check pursuant to this section constitutes payment of the obligation owed to the payee public agency to the extent of the amount of the check as of the date of acceptance when, but not before, the check is duly paid.

(d) If any check offered in payment pursuant to this section is returned to the payee without payment, a reasonable charge for the returned check not to exceed the actual costs incurred by the court may be imposed to recover the court's processing and collection costs. This charge may be added to, and become part of, any underlying obligation other than an obligation which constitutes a lien on real property, or a different method of payment for that payment and future payments by such person may be prescribed. The charges imposed by a court for a returned check shall be retained by the treasurer of the county and be deposited in the county general fund.

SEC. 17. Section 72055.2 of the Government Code is repealed.

SEC. 18. Section 72059 of the Government Code is amended to

read:

72059. The fee for receiving and filing an abstract of judgment rendered by a judge of another court and for subsequent services based on it is twenty dollars ($20).

SEC. 18.1. Section 77200 of the Government Code is repealed.

SEC. 18.2. Section 77200 is added to the Government Code, to read:

77200. (a) Beginning with the 1994–95 fiscal year, it is the intent of the Legislature to increase trial court funding by an amount sufficient to fund 65 percent of the annual costs for court operations. It is the intent of the Legislature that this funding shall increase to 70 percent for the 1995–96 fiscal year.

(b) In any year in which the amounts provided pursuant to this section are reduced, a county may reduce total expenditures for court operations by an amount up to, but not exceeding the total dollar amount of, the reduction to the county in state block grant funding.

(c) (1) Quarterly payments shall be transmitted by the Controller on or before the 25th day of that quarter, except that the quarterly apportionment shall be withheld from any county that is delinquent in making the full transfer of funds pursuant to Section 1463.001 of the Penal Code.

(2) Upon receipt of any delinquent payment, the Controller shall make the quarterly apportionment on or before the 25th day of the month following the month in which the delinquent payment was received from the county. The Controller shall calculate a penalty on any delinquent payment and that amount shall be deducted from the next quarterly apportionment. The penalty shall be calculated by multiplying the amount of the delinquent payment by the Pooled Money Investment Account rate at the end of the prior fiscal year.

(3) Before making any apportionments under this section, the Controller shall deduct, from the annual appropriation for that purpose, the estimated actual administrative costs that will be incurred under this section.

(4) Penalty amounts withheld under paragraph (2), up to the amount of administrative costs deducted from the annual appropriation pursuant to paragraph (3), shall be allocated to the counties in the same proportion as their annual allocations. The remainder of any such penalty amounts shall be deposited in the General Fund.

(d) (1) It is the intent of the Legislature that the state's share of funding for trial court operations shall be provided in block grants to the counties in the 1993–94 fiscal year only, and that thereafter it shall be included in the Budget Act as part of the judicial branch budget. Each option county shall receive a portion of the amount appropriated in the 1993–94 Budget Act for trial court operations as indicated in paragraph (2) of this subdivision.

(2) Each county shall receive a quarterly payment of one-fourth of the amount indicated below, as prescribed in paragraph (1) of

subdivision (c):

(2) County	Amount
Alameda	$ 17,935,862
Alpine	235,424
Amador	348,937
Butte	1,535,392
Calaveras	390,598
Colusa	405,021
Contra Costa	8,094,318
Del Norte	427,196
El Dorado	1,507,455
Fresno	8,408,482
Glenn	425,439
Humboldt	1,510,058
Imperial	1,892,894
Inyo	534,154
Kern	7,872,900
Kings	1,348,550
Lake	717,730
Lassen	369,487
Los Angeles	112,566,467
Madera	1,259,884
Marin	2,707,106
Mariposa	296,291
Mendocino	1,585,779
Merced	1,927,582
Modoc	318,466
Mono	314,244
Monterey	4,704,847
Napa	1,371,635
Nevada	1,437,434
Orange	27,610,756
Placer	1,804,921
Plumas	301,222
Riverside	10,887,323
Sacramento	11,481,428
San Benito	367,021
San Bernardino	13,962,186
San Diego	25,504,286
San Francisco	10,587,030
San Joaquin	4,773,609
San Luis Obispo	2,336,736
San Mateo	6,123,666
Santa Barbara	4,500,833
Santa Clara	17,321,995
Santa Cruz	2,908,169
Shasta	1,991,069
Sierra	265,688

Siskiyou	930,043
Solano	3,685,788
Sonoma	4,157,042
Stanislaus	3,524,884
Sutter	926,746
Tehama	781,064
Trinity	290,667
Tulare	3,500,508
Tuolumne	655,106
Ventura	6,403,804
Yolo	1,992,471
Yuba	798,307
Total	$352,824,000

(3) In addition to the allocation to San Mateo County in paragraph (2), a one-time allocation of eighty thousand dollars ($80,000) shall be granted to the superior courts of San Mateo County in the 1993–94 fiscal year if the presiding judge certifies to the Controller, prior to June 30, 1994, that the courts have commenced a family law pilot project pursuant to Title 5.7 (commencing with Section 4760) of Part 5 of Division 4 of the Civil Code.

(4) In addition to the allocation to Santa Clara County in paragraph (2), a one-time allocation of eighty thousand dollars ($80,000) shall be granted to the superior courts of Santa Clara County in the 1993–94 fiscal year if the presiding judge certifies to the Controller, prior to June 30, 1994, that the courts have commenced a family law pilot project pursuant to Title 5.7 (commencing with Section 4760) of Part 5 of Division 4 of the Civil Code.

(e) Funds accrued in the Trial Court Trust Fund during the 1993–94 fiscal year shall be allocated to each option county in the month of November of 1993, and in the months of February, May, and August of 1994.

(1) Except as provided in subdivision (f), the first one hundred forty million dollars ($140,000,000) in moneys allocated from the Trial Court Trust Fund shall be distributed in the following percentages to the following option counties:

County	Percentage Share of First $140 Million	Dollar Share of First $140 Million
Alameda	4.6742	6,543,871
Alpine	0.0472	66,023
Amador	0.0861	120,553
Butte	0.3789	530,475
Calaveras	0.0959	134,252
Colusa	0.1002	140,326
Contra Costa	2.1712	3,039,696
Del Norte	0.1074	150,368
El Dorado	0.3946	552,462

Fresno	2.1608	3,025,120
Glenn	0.1075	150,490
Humboldt	0.3699	517,918
Imperial	0.4891	684,784
Inyo	0.1400	195,957
Kern	2.0665	2,893,152
Kings	0.3052	427,330
Lake	0.1737	243,235
Lassen	0.0893	124,977
Los Angeles	33.3818	46,734,512
Madera	0.2922	409,072
Marin	0.7455	1,043,660
Mariposa	0.0659	92,294
Mendocino	0.3162	442,635
Merced	0.5255	735,737
Modoc	0.0731	102,337
Mono	0.0719	100,689
Monterey	1.2104	1,694,495
Napa	0.3526	493,630
Nevada	0.3725	521,438
Orange	8.5585	11,981,631
Placer	0.4625	647,533
Plumas	0.0678	94,942
Riverside	3.1853	4,459,429
Sacramento	4.1594	5,823,163
San Benito	0.0885	123,876
San Bernardino	3.5825	5,015,551
San Diego	7.1857	10,060,031
San Francisco	3.2177	4,504,772
San Joaquin	1.1995	1,679,350
San Luis Obispo	0.6036	845,109
San Mateo	2.1226	2,971,624
Santa Barbara	1.2059	1,688,252
Santa Clara	4.5019	6,302,642
Santa Cruz	0.7819	1,094,726
Shasta	0.5202	728,327
Sierra	0.0566	79,301
Siskiyou	0.2127	297,748
Solano	0.9664	1,352,982
Sonoma	1.1371	1,591,998
Stanislaus	0.8908	1,247,158
Sutter	0.2401	336,151
Tehama	0.1900	265,940
Trinity	0.0645	90,312
Tulare	0.8727	1,221,791
Tuolumne	0.1547	216,635
Ventura	1.6837	2,357,177
Yolo	0.5221	730,897
Yuba	0.1995	279,263

(2) The subsequent thirty-five million dollars ($35,000,000) shall be distributed in the following percentages to the following option counties:

County	Percentage Share After 140 Million
Alameda	4.9051
Alpine	0.0335
Amador	0.0776
Butte	0.3847
Calaveras	0.0640
Colusa	0.0515
Contra Costa	2.2785
Del Norte	0.0826
El Dorado	0.3771
Fresno	1.4806
Glenn	0.0816
Humboldt	0.3400
Imperial	0.3949
Inyo	0.0925
Kern	1.7519
Kings	0.2429
Lake	0.1483
Lassen	0.0714
Los Angeles	35.0306
Madera	0.2024
Marin	0.7350
Mariposa	0.0421
Mendocino	0.2850
Merced	0.3536
Modoc	0.0396
Mono	0.0463
Monterey	0.8531
Napa	0.2963
Nevada	0.2361
Orange	8.9812
Placer	0.4294
Plumas	0.0937
Riverside	3.3426
Sacramento	4.3648
San Benito	0.0691
San Bernardino	3.0247
San Diego	7.5407
San Francisco	3.3766
San Joaquin	1.2588
San Luis Obispo	0.6246
San Mateo	2.2274
Santa Barbara	1.2245
Santa Clara	4.3281

Santa Cruz	1.0644
Shasta	0.4299
Sierra	0.0416
Siskiyou	0.1162
Solano	0.8483
Sonoma	1.0685
Stanislaus	0.9348
Sutter	0.1916
Tehama	0.1521
Trinity	0.0793
Tulare	0.8448
Tuolumne	0.2248
Ventura	1.5669
Yolo	0.4273
Yuba	0.1445

(3) All moneys deposited in the Trial Court Trust Fund in excess of one hundred seventy-five million dollars ($175,000,000) shall be transferred to the Trial Court Improvement Fund and shall be allocated to the trial courts by the Trial Court Budget Commission as approved by the Judicial Council.

(f) To the extent a county has elected to devote a proportion of filing fee moneys greater than that established in fiscal year 1991–92 to a purpose specified in subdivision (d) of Section 68085 in excess of the three-dollar ($3) allocation originally permitted for alternate dispute resolution services, that county shall certify to the Controller on November 1, February 1, May 1, and August 1 of each year the additional amounts so devoted for the preceding quarter. The Controller shall then deduct the amount certified by the county from the payment specified in subdivision (e). The amount offset shall be redistributed to all counties in accordance with subdivision (e) by the Controller. Should an affected county be delinquent in certifying to the Controller, the payment specified in subdivision (e) shall be withheld until the certification is received.

(g) In no event shall the total of the quarterly payments to an option county exceed 100 percent of the annual expenditures for court operations of the county as determined by the Judicial Council and reported to the Controller. The Judicial Council shall submit to the Controller a report on the annual expenditures on or before December 1 following each fiscal year. The Controller shall deduct the amount in excess of 100 percent from the subsequent quarterly apportionment.

SEC. 18.3. Section 77205.3 of the Government Code is repealed.

SEC. 18.4. Section 77205.3 is added to the Government Code, to read:

77205.3. Amounts appropriated in the annual Budget Act for assigned judges shall be transferred to the Judicial Council on a monthly basis. The Judicial Council shall certify the amount expended for judicial assignment purposes monthly, and the

Controller shall transfer to the Judicial Council the amount certified. The amounts so transferred by the Controller shall be credited to the appropriation available to the Judicial Council in augmentation of the Budget Act.

SEC. 18.5. Section 77207 of the Government Code is amended to read:

77207. (a) There is in the State Treasury the Trial Court Improvement Fund.

(b) Funds as provided in paragraph (3) of subdivision (e) of Section 77200 shall be deposited in the Trial Court Improvement Fund for purposes of this section. Of that sum, any funds unencumbered at the end of that fiscal year shall revert to the Trial Court Trust Fund.

(c) Moneys in the Trial Court Improvement Fund shall be disbursed pursuant to Section 68502.5, subject to appropriation by the Legislature.

(d) The Judicial Council shall present an annual report to the Legislature on the use of the Trial Court Improvement Fund. The report shall include appropriate recommendations.

SEC. 19. Section 1203.1b of the Penal Code is amended to read:

1203.1b. (a) In any case in which a defendant is convicted of an offense and granted probation, the court, taking into account any amount which the defendant is ordered to pay in fines, assessments, and restitution, shall make a determination of the ability of the defendant to pay all or a portion of the reasonable cost of probation; and of conducting the presentence investigation and preparing the presentence report made pursuant to Section 1203. The reasonable cost of these services and of probation shall not exceed the amount determined to be the actual average cost thereof. The court shall order the defendant to appear before a county officer designated by the court to make an inquiry into the ability of the defendant to pay all or a portion of such costs. At a hearing, the defendant shall be entitled to have, but shall not be limited to, the opportunity to be heard in person, to present witnesses and other documentary evidence, and to confront and cross-examine adverse witnesses, and to disclosure of the evidence against the defendant, and a written statement of the findings of the court or the county officer. If the court determines that the defendant has the ability to pay all or part of the costs, the court shall set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner in which the court believes reasonable and compatible with the defendant's financial ability; or with the consent of the defendant, the court shall order the probation officer to set the amount of payment, which shall not exceed the maximum amount set by the court, and the manner in which the payment shall be made to the county. 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. The court may hold additional

hearings during the probationary period.

If practicable, the court or the probation officer shall order payments to be made on a monthly basis. Execution may be issued on the order in the same manner as a judgment in a civil action. The order to pay all or part of the costs shall not be enforced by contempt.

A payment schedule for reimbursement of the costs of presentence investigation based on income shall be developed by the probation department of each county and approved by the presiding judges of the municipal and superior courts.

(b) The term "ability to pay" means the overall capability of the defendant to reimburse the costs, or a portion of the costs, of conducting the presentence investigation, preparing the presentence report, and probation, and shall include, but shall not be limited to, the defendant's:

(1) Present financial position.

(2) Reasonably discernible future financial position. In no event shall the court consider a period of more than six months from the date of the hearing for purposes of determining reasonably discernible future financial position.

(3) Likelihood that the defendant shall be able to obtain employment within the six-month period from the date of the hearing.

(4) Any other factor or factors which may bear upon the defendant's financial capability to reimburse the county for the costs.

(c) At any time during the pendency of the judgment rendered according to the terms of this section, a defendant against whom a judgment has been rendered may petition the rendering court to modify or vacate its previous judgment on the grounds of a change of circumstances with regard to the defendant's ability to pay the judgment. The court shall advise the defendant of this right at the time of rendering of the judgment.

(d) All sums paid by a defendant pursuant to this section shall be allocated for the operating expenses of the county probation department.

(e) The board of supervisors in any county, by resolution, may establish a fee for the processing of payments made in installments to the probation department pursuant to this section, not to exceed the administrative and clerical costs of the collection of those installment payments as determined by the board of supervisors, except that the fee shall not exceed thirty-five dollars ($35).

(f) This section shall be operative in a county upon the adoption of an ordinance to that effect by the board of supervisors.

SEC. 20. Section 1463.001 of the Penal Code is amended to read:

1463.001. All fines and forfeitures imposed and collected for crimes other than parking offenses resulting from a filing in a court shall as soon as practicable after receipt thereof, be deposited with the county treasurer, and each month the total fines and forfeitures which have accumulated within the past month shall be distributed, as follows:

(a) The state penalties, county penalties, special penalties, service charges, and penalty allocations shall be transferred to the proper funds as required by law.

(b) The base fines shall be distributed, as follows:

(1) Any base fines which are subject to specific distribution under any other section shall be distributed to the specified funds of the state or local agency.

(2) Any amount due to the county which is collected pursuant to Section 1203.1, but excluding fees to cover the actual cost of formal probation, shall be divided between the state and county, with 75 percent transferred to the General Fund and 25 percent transferred to the proper funds of the county.

(3) Of base fines resulting from county arrest not included in paragraph (1), 25 percent shall be transferred into the proper funds of the county, and 75 percent shall be transferred to the General Fund. In any fiscal year that a county does not remit to the General Fund an amount equal to the amount transmitted during the 1992–93 fiscal year, that county shall make a payment from county funds equal to the difference to the General Fund by October 1 of the subsequent fiscal year.

(4) Of base fines resulting from city arrests not included in paragraph (1), an amount equal to the applicable county percentages set forth in Section 1463.002, as modified by Section 1463.28, shall be divided between the state and county, with 75 percent transferred to the General Fund and 25 percent transferred into the proper funds of the county. In any fiscal year that a county does not remit to the General Fund an amount equal to the amount transmitted during the 1992–93 fiscal year, that county shall make a payment from county funds equal to the difference to the General Fund by October 1 of the subsequent fiscal year. The remainder of base fines resulting from city arrests shall be divided between each city and the state, with 50 percent deposited to the General Fund, and 50 percent deposited to the treasury of the appropriate city.

(5) In a county that had an agreement as of March 22, 1977, that provides for city fines and forfeitures to accrue to the county in exchange for sales tax receipts, of base fines resulting from city arrests not included in paragraph (1), 50 percent shall be deposited to the General Fund, and 50 percent shall be deposited into the proper funds of the county.

(c) Each county shall keep a record of its deposits to its treasury and its transmittal to each city treasury pursuant to this section, and shall provide these records upon request to the Controller.

(d) Any amounts required to be distributed to the state pursuant to this section shall be remitted to the Controller no later than 45 days after the end of the month in which such fines and forfeitures were collected. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the General Fund to which it is to be deposited. Any remittance which is not made in accordance with this

section shall be considered delinquent and subject to subdivision (c) of Section 77200 of the Government Code.

(e) In the event that the percentage of revenues payable to the General Fund from violations of any of the provisions of the Fish and Game Code or any regulation adopted pursuant thereto, or any other law providing for the protection or preservation of birds, mammals, fish, reptiles or amphibia, is reduced by operation of law to a percentage lower than that payable to the state during the 1991–92 fiscal year, each county shall increase its transmittal to the General Fund from its share of fines and forfeitures pursuant to subdivision (b) by an amount equal to the reduction in its transmittal to the General Fund.

(f) The distribution specified in subdivision (b) applies to all funds subject thereto distributed on or after July 1, 1992, regardless of whether the court has elected to allocate and distribute funds pursuant to Section 1464.8.

SEC. 21. Section 1463.007 of the Penal Code is amended to read:

1463.007. Notwithstanding any other provision of law, any county or court that implements or has implemented a comprehensive program to identify and collect fines and forfeitures which have not been paid after 60 days from the date on which they were due and payable, with or without warrant having been issued against the alleged violator, which are not being paid through time payments and for which the base fine excluding state and county penalties is at least one hundred dollars ($100), may deduct and deposit in the county treasury the cost of operating that program, excluding capital expenditures, from any revenues collected thereby prior to making any distribution of revenues to other governmental entities required by any other provision of law. For purposes of this section, a comprehensive collection program shall be a separate and distinct revenue collection activity and shall include at least 10 of the following components:

(a) Monthly bill statements to all debtors.

(b) Telephone contact with delinquent debtors to apprise them of their failure to meet payment obligations.

(c) Issuance of warning letters to advise delinquent debtors of an outstanding obligation.

(d) Requests for credit reports to assist in locating delinquent debtors.

(e) Access to Employment Development Department employment and wage information.

(f) The generation of monthly delinquent reports.

(g) Participation in the Franchise Tax Board's tax intercept program.

(h) The use of Department of Motor Vehicle information to locate delinquent debtors.

(i) The use of wage and bank account garnishments.

(j) The imposition of liens on real property and proceeds from the sale of real property held by a title company.

(k) The filing of objections to the inclusion of outstanding fines and forfeitures in bankruptcy proceedings.

(*l*) Coordination with the probation department to locate debtors who may be on formal or informal probation.

(m) The initiation of drivers' license suspension actions where appropriate.

(n) The capability to accept credit card payments.

Any county that exercises the authority granted in this section for the purpose of enhancing its revenue collections shall file an annual report of its activities with the Legislature.

This section shall be repealed on June 30, 1997, unless a later enacted statute, which is enacted before June 30, 1997, deletes or extends that date.

SEC. 21.5. Section 1804 of the Vehicle Code is amended to read:

1804. (a) The abstract shall be made upon a form furnished or approved by the department and shall contain all necessary information to identify the defendant, including, but not limited to, the person's driver's license number, name, and date of birth, the date and nature of the offense, the vessel number, if any, of the vessel involved in the offense, the license plate number of the vehicle involved in the offense, the date of hearing, and the judgment, except that in the case of infractions where the court has not directed the department to suspend or restrict the defendant's driver's license, only the conviction and not the judgment need be set forth in the abstract. The abstract shall also indicate whether the vehicle involved in the offense is a commercial motor vehicle, as defined in subdivision (b) of Section 15210, whether the vehicle was of a type requiring the driver to have a certificate issued pursuant to Section 2512, 12517, 12519, 12523, or 12523.5 or any endorsement issued pursuant to paragraph (2) or (4) of subdivision (a) of Section 15278, and whether the vehicle was transporting hazardous material at the time of the offense, or whether the vessel involved in the offense was a recreational vessel, as defined in subdivision (y) of Section 651 of the Harbors and Navigation Code.

(b) As to any abstract for which the original arrest and final conviction was for a violation of subdivision (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code or Section 23152 or 23153 of this code, the abstract shall contain a statement indicating the percentage of alcohol, by weight, in the person's blood whenever that percentage was determined by a chemical test. The information regarding the chemical test shall be compiled if it is available to the clerk of the court. All information required to be compiled pursuant to this subdivision shall be kept confidential in the records of the department pursuant to Section 1808.5. The department may use the information for research and statistical purposes and for determining the eligibility of any person to operate a motor vehicle on the highways of this state. The information shall not be released to any other public or private agency, except for research and statistical summary purposes and, for those purposes, the name and address of

the person and any other identifying information shall not be disclosed.

(c) The Legislature finds and declares that blood-alcohol percentages have valuable research potential in providing statistical summary information on impaired drivers but that a specific blood-alcohol percentage is only an item of evidence for purposes of criminal and licensing sanctions imposed by law. The Legislature recognizes that the accuracy of the determination of a specific blood-alcohol percentage is not the critical determination in a conviction for driving under the influence of an alcoholic beverage if the blood-alcohol percentage exceeds the statutory amount.

SEC. 21.6. Section 12808 of the Vehicle Code is amended to read:

12808. (a) The department shall, before issuing or renewing any license, check the record of the applicant for conviction of traffic violations and traffic accidents.

(b) The department shall, before issuing or renewing any license, check the record of the applicant for notices of failure to appear in court filed with it and shall withhold or shall not issue a license to any applicant who has violated his written promise to appear in court unless the department has received a certificate issued by the magistrate or clerk of the court hearing the case in which the promise was given showing that the case has been adjudicated or unless the applicant's record is cleared as provided in Chapter 6 (commencing with Section 41500) of Division 17. In lieu of the certificate of adjudication, a notice from the court stating that the original records have been lost or destroyed shall permit the department to issue a license.

(c) Any notice received by the department pursuant to Section 40509, 40509.1, or 40509.5 which has been on file five years may be removed from the department records and destroyed at the discretion of the department.

SEC. 21.7. Section 13365.5 is added to the Vehicle Code, to read:

13365.5. (a) Upon receipt of a notification issued pursuant to Section 40509.1, the department shall suspend the person's privilege to operate a motor vehicle until compliance with the court order is shown or as prescribed in subdivision (c) of Section 12808. The suspension under this section shall not be effective until 45 days after the giving of written notice by the department.

(b) This section does not apply to a notification of failure to comply with a court order issued for a violation enumerated in paragraph (1), (2), (3), (6), or (7) of subdivision (b) of Section 1803.

SEC. 22. Section 40509 of the Vehicle Code is amended to read:

40509. (a) If any person has for a period of 15 or more days violated a written promise to appear or a lawfully granted continuance of his or her promise to appear in court or before the person authorized to receive a deposit of bail, or violated an order to appear in court, the magistrate or clerk of the court may give notice of the failure to appear to the department for any violation of this code, or any violation that can be heard by a juvenile traffic

hearing referee pursuant to Section 256 of the Welfare and Institutions Code, or any violation of any other statute relating to the safe operation of a vehicle, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), (7), and (8) of subdivision (b) of Section 1803. The notice shall be given within 60 days of the failure to appear. If thereafter the case in which the promise was given is adjudicated or the person who has violated the court order appears in court or otherwise satisfies the order of the court, the magistrate or clerk of the court hearing the case shall sign and file with the department a certificate to that effect.

(b) If any person has, for a period of 15 or more days, willfully failed to pay a lawfully imposed fine within the time authorized by the court or to pay a fine pursuant to subdivision (a) of Section 42003, the magistrate or clerk of the court may give notice of the fact to the department for any violation, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), (7), and (8) of subdivision (b) of Section 1803. If thereafter the fine is fully paid, the magistrate or clerk of the court shall issue and file with the department a certificate showing that the fine has been paid.

(c) (1) Notwithstanding subdivisions (a) and (b), the court may notify the department of the total amount of bail, fines, assessments, and fees authorized or required by this code, including Section 40508.5, which are unpaid by any person.

(2) Once a court has established the amount of a fine and any assessments, and notified the department, the court shall not further enhance or modify that amount.

(3) This subdivision applies only to violations of this code that do not require a mandatory court appearance, are not contested by the defendant, and do not require proof of correction certified by the court.

(d) Whenever any person has for a period of 15 or more days willfully failed to obey any court order concerning a violation of this code other than failure to appear or pay a fine, the department shall suspend the person's privilege to operate a motor vehicle until compliance with the court order is shown. The magistrate or clerk of the court may give notice of any noncompliance of a court order to the department. The suspension shall not become effective until 45 days after the giving of written notice by the department to the person or until the end of any stay of suspension. However, this subdivision does not apply to court orders concerning violations enumerated in paragraphs (1), (2), (3), (6), and (7) of subdivision (b) of Section 1803.

(e) With respect to a violation of this code, this section is applicable to any court which has not elected to be subject to the notice requirements of subdivision (b) of Section 40509.5.

(f) Any violation subject to Section 40001, which is the responsibility of the owner of the vehicle, shall not be reported under this section.

SEC. 22.5. Section 40509.1 is added to the Vehicle Code, to read:

40509.1. If any person has, for a period of 15 or more days, willfully failed to comply with a court order, except a failure to appear, to pay a fine, or to attend traffic violator school, which was issued for a violation of this code, the magistrate or clerk of the court may give notice of the fact to the department.

SEC. 23. Section 40509.5 of the Vehicle Code is amended to read:

40509.5. (a) If, with respect to an offense described in subdivision (d), any person has, for a period of 15 or more days, violated his or her written promise to appear or a lawfully granted continuance of his or her promise to appear in court or before the person authorized to receive a deposit of bail, or violated an order to appear in court, the magistrate or clerk of the court may give notice of the failure to appear to the department for any violation of this code, any violation that can be heard by a juvenile traffic hearing referee pursuant to Section 256 of the Welfare and Institutions Code, or any violation of any other statute relating to the safe operation of a vehicle, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), and (7) of subdivision (b) of Section 1803. The notice shall be given within 60 days of the failure to appear. If thereafter the case in which the promise was given is adjudicated or the person who has violated the court order appears in court and satisfies the order of the court, the magistrate or clerk of the court hearing the case shall sign and file with the department a certificate to that effect.

(b) If, with respect to an offense described in subdivision (d), any person has, for a period of 15 or more days, willfully failed to pay a lawfully imposed fine within the time authorized by the court or to pay a fine pursuant to subdivision (a) of Section 42003, the magistrate or clerk of the court may give notice of the fact to the department for any violation, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), and (7) of subdivision (b) of Section 1803. If thereafter the fine is fully paid, the magistrate or clerk of the court shall issue and file with the department a certificate showing that the fine has been paid.

(c) The court shall mail a courtesy warning notice to the defendant by first-class mail at the address shown on the notice to appear, at least 10 days before sending a notice to the department under this section.

(d) If the court notifies the department of a failure to appear or pay a fine pursuant to this section, no arrest warrant shall be issued for an alleged violation of subdivision (a) or (b) of Section 40508 or of a court order issued pursuant to subdivision (a) of Section 42003, unless one of the following criteria is met:

(1) The alleged underlying offense is a misdemeanor or felony.

(2) The alleged underlying offense is a violation of any provision of Division 12 (commencing with Section 24000), Division 13 (commencing with Section 29000), or Division 15 (commencing with Section 35000), required to be reported pursuant to Section 1803.

(3) The driver's record does not show that the defendant has a

valid California driver's license.

(4) The driver's record shows an unresolved charge that the defendant is in violation of his or her written promise to appear for one or more other alleged violations of the law.

(e) In addition to the proceedings described in this section, the court may elect to notify the department pursuant to subdivision (c) of Section 40509.

(f) Whenever any person has for a period of 15 or more days willfully failed to obey any court order concerning a violation of this code other than failure to appear or pay a fine, the department shall suspend the person's privilege to operate a motor vehicle until compliance with the court order is shown. The magistrate or clerk of the court may give notice of any noncompliance of a court order to the department. The suspension shall not become effective until 45 days after the giving of written notice by the department to the person or until the end of any stay of suspension. However, this subdivision does not apply to court orders concerning violations enumerated in paragraphs (1), (2), (3), (6), and (7) of subdivision (b) of Section 1803.

(g) This section is applicable to courts which have elected to provide notice pursuant to subdivision (b). The method of commencing or terminating an election to proceed under this section shall be prescribed by the department.

(h) Any violation subject to Section 40001, which is the responsibility of the owner of the vehicle, shall not be reported under this section.

SEC. 23.5. It is the intent of the Legislature to waive any claims for reimbursement from a county for its share of the salaries of judges serving in the county on assignment on or after July 1, 1993.

SEC. 24. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 25. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make necessary changes in the funding and operation of the courts, it is necessary that this act take effect immediately.

CHAPTER 159

An act to amend Section 1203.1b of the Penal Code, relating to conditional sentences.

[Approved by Governor July 20, 1993. Filed with Secretary of State July 21, 1993.]

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

SECTION 1. Section 1203.1b of the Penal Code is amended to read:

1203.1b. (a) In any case in which a defendant is convicted of an offense and granted probation or given a conditional sentence, the court, taking into account any amount that the defendant is ordered to pay in fines, assessments, and restitution, shall make a determination of the ability of the defendant to pay all or a portion of the reasonable cost of probation or a conditional sentence; and of conducting the presentence investigation and preparing the presentence report made pursuant to Section 1203. The reasonable cost of these services and of probation or a conditional sentence shall not exceed the amount determined to be the actual average cost thereof. The court shall order the defendant to appear before a county officer designated by the court to make an inquiry into the ability of the defendant to pay all or a portion of the costs. At a hearing, the defendant shall be entitled to have, but shall not be limited to, the opportunity to be heard in person, to present witnesses and other documentary evidence, and to confront and cross-examine adverse witnesses, and to disclosure of the evidence against the defendant, and a written statement of the findings of the court or the county officer. If the court determines that the defendant has the ability to pay all or part of the costs, the court shall set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner in which the court believes reasonable and compatible with the defendant's financial ability; or with the consent of the defendant, the court shall order the probation officer to set the amount of payment, which shall not exceed the maximum amount set by the court, and the manner in which the payment shall be made to the county. 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. The court may hold additional hearings during the probationary or conditional sentence period.

If practicable, the court or the probation officer shall order payments to be made on a monthly basis. Execution may be issued on the order in the same manner as a judgment in a civil action. The order to pay all or part of the costs shall not be enforced by contempt.

A payment schedule for reimbursement of the costs of

presentence investigation based on income shall be developed by the probation department of each county and approved by the presiding judges of the municipal and superior courts.

(b) The term "ability to pay" means the overall capability of the defendant to reimburse the costs, or a portion of the costs, of conducting the presentence investigation, preparing the presentence report, and probation or conditional sentence, and shall include, but shall not be limited to, the defendant's:

(1) Present financial position.

(2) Reasonably discernible future financial position. In no event shall the court consider a period of more than six months from the date of the hearing for purposes of determining reasonably discernible future financial position.

(3) Likelihood that the defendant shall be able to obtain employment within the six-month period from the date of the hearing.

(4) Any other factor or factors that may bear upon the defendant's financial capability to reimburse the county for the costs.

(c) At any time during the pendency of the judgment rendered according to the terms of this section, a defendant against whom a judgment has been rendered may petition the rendering court to modify or vacate its previous judgment on the grounds of a change of circumstances with regard to the defendant's ability to pay the judgment. The court shall advise the defendant of this right at the time of rendering of the judgment.

(d) All sums paid by a defendant pursuant to this section shall be allocated for the operating expenses of the county probation department.

(e) This section shall be operative in a county upon the adoption of an ordinance to that effect by the board of supervisors.

SEC. 2. Section 1203.1b of the Penal Code is amended to read:

1203.1b. (a) In any case in which a defendant is convicted of an offense and granted probation or given a conditional sentence, the court, taking into account any amount that the defendant is ordered to pay in fines, assessments, and restitution, shall make a determination of the ability of the defendant to pay all or a portion of the reasonable cost of probation or a conditional sentence, of conducting the presentence investigation and preparing the presentence report made pursuant to Section 1203, and of processing a jurisdictional transfer pursuant to Section 1203.9 or of processing a request for interstate compact supervision pursuant to Sections 11175 to 11179, inclusive. The reasonable cost of these services and of probation or a conditional sentence shall not exceed the amount determined to be the actual average cost thereof. The court shall order the defendant to appear before a county officer designated by the court to make an inquiry into the ability of the defendant to pay all or a portion of the costs. At a hearing, the defendant shall be entitled to have, but shall not be limited to, the opportunity to be heard in person, to present witnesses and other documentary

evidence, and to confront and cross-examine adverse witnesses, and to disclosure of the evidence against the defendant, and a written statement of the findings of the court or the county officer. If the court determines that the defendant has the ability to pay all or part of the costs, the court shall set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner in which the court believes reasonable and compatible with the defendant's financial ability; or with the consent of the defendant, the court shall order the probation officer to set the amount of payment, which shall not exceed the maximum amount set by the court, and the manner in which the payment shall be made to the county. 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. The court may hold additional hearings during the probationary or conditional sentence period.

If practicable, the court or the probation officer shall order payments to be made on a monthly basis. Execution may be issued on the order in the same manner as a judgment in a civil action. The order to pay all or part of the costs shall not be enforced by contempt.

A payment schedule for reimbursement of the costs of presentence investigation based on income shall be developed by the probation department of each county and approved by the presiding judges of the municipal and superior courts.

(b) The term "ability to pay" means the overall capability of the defendant to reimburse the costs, or a portion of the costs, of conducting the presentence investigation, preparing the presentence report, processing a jurisdictional transfer pursuant to Section 1203.9, processing requests for interstate compact supervision pursuant to Sections 11175 to 11179, inclusive, and probation or conditional sentence, and shall include, but shall not be limited to, the defendant's:

(1) Present financial position.

(2) Reasonably discernible future financial position. In no event shall the court consider a period of more than six months from the date of the hearing for purposes of determining reasonably discernible future financial position.

(3) Likelihood that the defendant shall be able to obtain employment within the six-month period from the date of the hearing.

(4) Any other factor or factors that may bear upon the defendant's financial capability to reimburse the county for the costs.

(c) At any time during the pendency of the judgment rendered according to the terms of this section, a defendant against whom a judgment has been rendered may petition the rendering court to modify or vacate its previous judgment on the grounds of a change of circumstances with regard to the defendant's ability to pay the judgment. The court shall advise the defendant of this right at the time of rendering of the judgment.

(d) All sums paid by a defendant pursuant to this section shall be allocated for the operating expenses of the county probation department.

(e) This section shall be operative in a county upon the adoption of an ordinance to that effect by the board of supervisors.

SEC. 3. Section 2 of this bill incorporates amendments to Section 1203.1b of the Penal Code proposed by both this bill and AB 306. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1994, (2) each bill amends Section 1203.1b of the Penal Code, and (3) this bill is enacted after AB 306, in which case Section 1 of this bill shall not become operative.

CHAPTER 160

An act to amend Section 48980 of, and to add and repeal Article 1.5 (commencing with Section 48209) of Chapter 2 of Part 27 of, the Education Code, relating to school attendance.

[Approved by Governor July 20, 1993. Filed with Secretary of State July 21, 1993.]

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

SECTION 1. Article 1.5 (commencing with Section 48209) is added to Chapter 2 of Part 27 of the Education Code, to read:

Article 1.5. Pupil Attendance Alternatives

48209. For purposes of this article, the following definitions apply:

(a) "School district of choice" means a school district for which a resolution is in effect as described in subdivision (a) of Section 48209.1.

(b) "School district of residence" means the school district that a pupil would be directed by this chapter to attend, except as otherwise provided by this article.

48209.1. (a) The governing board of any school district may accept interdistrict transfers. No school district that receives an application for attendance under this article is required to admit pupils to its schools. If, however, the governing board elects to accept transfers as authorized under this article, it shall, by resolution, elect to accept transfer pupils, determine and adopt the number of transfers it is willing to accept, and ensure that pupils admitted under the policy are selected through a random, unbiased process that prohibits an evaluation of whether or not the pupil should be enrolled based upon his or her academic or athletic performance. Any pupil accepted for transfer shall be deemed to have fulfilled the requirements of Section 48204.

(b) Either the pupil's school district of residence or the school district of choice may prohibit the transfer of a pupil under this article or limit the number of pupils so transferred if the governing board of the district determines that the transfer would negatively impact any of the following:

(1) The court-ordered desegregation plan of the district.

(2) The voluntary desegregation plan of the district that meets the criteria of Section 42249.

(3) The racial and ethnic balance of the district.

48209.2. School districts are encouraged to hold informational hearings during the spring semester of 1994 on the current educational program the district is offering so that parents may provide input to the district on methods to improve the current program and so that parents may make informed decisions regarding their children's education.

48209.3. (a) The school district of choice shall not prohibit a transfer of a pupil under this article based upon a determination by the governing board of that school district that the additional cost of educating the pupil would exceed the amount of additional state aid received as a result of the transfer. However, a school district may reject the transfer of a pupil if the transfer of that pupil would require the district to create a new program to serve that pupil.

(b) This section is intended to ensure that special education, bilingual, or other special needs pupils are not discriminated against by the school district of choice because of the costs associated with educating those pupils. Pupils with special needs may take full advantage of the choice options available under this section.

48209.4. No application of any pupil for transfer shall be approved under this article that would require the displacement, from a school or program conducted within any attendance area of the school district of choice, of any other pupil who resides within that attendance area or is currently enrolled in that school.

48209.5. School districts of choice may employ existing entrance criteria for specialized schools or programs if the criteria are uniformly applied to all applicants.

48209.6. Each school district of choice shall give priority for attendance to siblings of children already in attendance in that district.

48209.7. (a) A school district of residence with average daily attendance greater than 50,000 may limit the number of pupils transferring out each year to 1 percent of its current year estimated average daily attendance.

(b) A school district of residence with average daily attendance less than 50,000 may limit the number of pupils transferring out to 3 percent of its current year estimated average daily attendance and may limit the maximum number of pupils transferring out for the duration of the program authorized by this article to 10 percent of the average daily attendance for that period.

48209.9. (a) Commencing January 1, 1994, any application for

transfer under this article shall be submitted by the pupil's parent or guardian to the school district of choice that has elected to accept transfer pupils pursuant to Section 48209.1 prior to January 1 of the school year preceding the school year for which the pupil is to be transferred. This application deadline may be waived upon agreement of the pupil's school district of residence and the school district of choice. No applications shall be submitted after January 1, 1998.

(b) The application shall be submitted on a form provided for this purpose by the State Department of Education and may request enrollment of the pupil in a specific school or program of the district.

(c) Not later than 90 days after the receipt by a school district of an application for transfer, the governing board of the district shall notify the parent or guardian in writing whether the application has been provisionally accepted or rejected or of the pupil's position on any waiting list. Final acceptance or rejection shall be made by May 15 preceding the school year for which the pupil is to be transferred. In the event of an acceptance, that notice shall be provided also to the school district of residence. If the application is rejected, the district governing board shall set forth in the written notification to the parent or guardian the specific reason or reasons for that determination, and shall ensure that the determination, and the specific reason or reasons therefor, are accurately recorded in the minutes of the board meeting in which the determination was made.

(d) Final acceptance of the transfer is applicable for one school year and will be renewed automatically each year unless the school district of choice through the adoption of a resolution withdraws from participation in the program and no longer will accept any transfer pupils from other districts. However, if a school district of choice withdraws from participation in the program, high school pupils admitted under this article may continue until they graduate from high school.

48209.10. (a) Any school district of choice that admits any pupil under this section shall accept any completed coursework, attendance, and other academic progress credited to that pupil by the school district or districts previously attended by that pupil, and shall grant academic standing to that pupil based upon the district's evaluation of that academic progress.

(b) Any school district of choice that admits a pupil under this section may revoke the pupil's transfer if the pupil is recommended for expulsion pursuant to Section 48918.

48209.11. (a) The average daily attendance for pupils admitted by a school district of choice pursuant to this article shall be credited to that district pursuant to Section 46607.

(b) Notwithstanding other provisions of law, state aid for categorical education programs for pupils admitted under this article shall be apportioned to the school district of choice.

(c) Notwithstanding other provisions of law, the average daily attendance for pupils admitted by a school district of choice pursuant

to this article shall be credited to that school district for purposes of any determination utilizing average daily attendance or estimated average daily attendance under Chapter 22 (commencing with Section 17700) of Part 10.

48209.12. Upon request of the pupil's parent or guardian, each school district of choice that admits a pupil under this section to any school or program of the district shall provide to the pupil transportation assistance within the boundaries of the district to that school or program, to the extent that the district otherwise provides transportation assistance to pupils.

48209.13. Each school district shall make information regarding its schools, programs, policies, and procedures available to any interested person upon request.

48209.14. (a) Pursuant to this article, each school district shall keep an accounting of all requests made for alternative attendance and records of all disposition of those requests that shall include, but are not to be limited to, all of the following:

(1) The number of requests granted, denied, or withdrawn. In the case of denied requests, the records shall indicate the reasons for the denials.

(2) The number of pupils transferred out of the district.

(3) The number of pupils transferred into the districts.

(b) The information maintained pursuant to subdivision (a) shall be reported to the governing board of the school district at an open meeting of the governing board. After the information is reported to the governing board of the school district, the information shall be reported to the Superintendent of Public Instruction no later that January 1, 1995, and annually thereafter, and the superintendent shall make the information available to the Governor, the Legislature, and the public.

48209.15. (a) It is the intent of the Legislature that every parent in this state be informed of their opportunity for currently existing choice options under this article regardless of ethnicity, primary language, or literacy.

(b) Notwithstanding Section 48980, before the beginning of the first semester or quarter of the regular school term, each county board of education shall, to the extent that funding is provided for the purposes of this section, adopt a plan to conduct an aggressive, focused outreach program that meets the intent of this section.

48209.16. This article shall become inoperative on July 1, 2000, and, as of January 1, 2001, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2001, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. 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 also shall 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) The notification also may advise the parent or guardian of the importance of investing for future college or university education for their children and of considering appropriate investment options including, but not limited to, United States Savings Bonds.

(d) Each school district that elects 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.

(e) Until June 30, 1995, the notification shall also advise the parent or guardian of the availability of the employment-based school attendance options pursuant to subdivision (f) of Section 48204.

(f) The notification also shall include a copy of the district's written policy on sexual harassment established pursuant to Section 212.6, as it relates to pupils.

(g) The notification shall advise the parent or guardian of all current statutory attendance options and local attendance options available in the school district. That notification shall include all options for meeting residency requirements for school attendance, programmatic options offered within the local attendance areas, and any special programmatic options available on both an interdistrict and intradistrict basis. That notification also shall include a description of all options, a description of the procedure for application for alternative attendance areas or programs, an application form from the district for requesting a change of attendance, and a description of the appeals process available, if any, for a parent or guardian denied a change of attendance.

SEC. 3. The Superintendent of Public Instruction shall evaluate and report to the Legislature on the effectiveness of the interdistrict transfer program established pursuant to Article 1.5 (commencing with Section 48209) of Chapter 2 of Part 27 of the Education Code by January 1, 1999.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

SEC. 5. It is the intent of the Legislature that funding for the purposes of this act be provided for in the annual Budget Act.

SEC. 6. This act shall become operative only if Assembly Bill No. 1114 of the 1993–94 Regular Session is enacted.

CHAPTER 161

An act to amend Sections 35160.5 and 48980 of the Education Code, relating to school districts.

[Approved by Governor July 20, 1993. Filed with Secretary of State July 21, 1993.]

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

SECTION 1. Section 35160.5 of the Education Code is amended to read:

35160.5. (a) On or before December 1, 1984, the governing board of each school district shall, as a condition for the receipt of school apportionments from the State School Fund, adopt rules and regulations establishing school district policies as they relate to the following:

(1) Certification that personnel assigned to evaluate teachers have demonstrated competence in instructional methodologies and evaluation for teachers they are assigned to evaluate. The determination of whether school personnel meet the district's adopted policies shall be made by the governing board.

(2) The establishment of district policies ensuring that each probationary certificated employee is assigned to a school within the district with assurances that his or her status as a new teacher and his or her potential needs for training, assistance, and evaluations will be recognized by the district.

(3) The establishment of policies and procedures that parents or guardians of pupils enrolled in the district may use to present complaints regarding employees of the district. These policies and procedures shall provide for appropriate mechanisms to respond to, and where possible, to resolve the complaints.

(b) The governing board of each school district that maintains one or more schools containing any of grades 7 to 12, inclusive, shall, as a condition for the receipt of an inflation adjustment pursuant to Section 42238.1, establish a school district policy regarding participation in extracurricular and cocurricular activities by pupils in grades 7 to 12, inclusive. The criteria, which shall be applied to extracurricular and cocurricular activities, shall ensure that pupil participation is conditioned upon satisfactory educational progress in the previous grading period. Pupils who are eligible for differential standards of proficiency pursuant to subdivision (d) of Section 51215

are covered by this section consistent with that subdivision. No person shall classify a pupil as eligible for differential standards of proficiency pursuant to subdivision (d) of Section 51215 for the purpose of circumventing the intent of this subdivision.

(1) For purposes of this subdivision, "extracurricular activity" means a program that has all of the following characteristics:

(A) The program is supervised or financed by the school district.

(B) Pupils participating in the program represent the school district.

(C) Pupils exercise some degree of freedom in either the selection, planning, or control of the program.

(D) The program includes both preparation for performance and performance before an audience or spectators.

(2) For purposes of this subdivision, an "extracurricular activity" is not part of the regular school curriculum, is not graded, does not offer credit, and does not take place during classroom time.

(3) For purposes of this subdivision, a "cocurricular activity" is defined as a program that may be associated with the curriculum in a regular classroom.

(4) Any teacher graded or required program or activity for a course which satisfies the entrance requirements for admission to the California State University or the University of California, is not an extracurricular or cocurricular activity as defined by this section.

(5) For purposes of this subdivision, "satisfactory educational progress" shall include, but not be limited to, the following:

(A) Maintenance of minimum passing grades, which is defined as at least a 2.0 grade point average in all enrolled courses on a 4.0 scale.

(B) Maintenance of minimum progress toward meeting the high school graduation requirements prescribed by the governing board.

(6) For purposes of this subdivision, "previous grading period" does not include any grading period in which the pupil was not in attendance for all, or a majority of, the grading period due to absences excused by the school for reasons such as serious illness or injury, approved travel, or work. In that event, "previous grading period" is deemed to mean the grading period immediately prior to the grading period or periods excluded pursuant to this paragraph.

(7) A program that has, as its primary goal, the improvement of academic or educational achievements of pupils is not an extracurricular or cocurricular activity as defined by this section.

(8) The governing board of each school district may adopt, as part of its policy established pursuant to this subdivision, provisions that would allow a pupil who does not achieve satisfactory educational progress, as defined in paragraph (4), in the previous grading period to remain eligible to participate in extracurricular and cocurricular activities during a probationary period. The probationary period shall not exceed one semester in length, but may be for a shorter period of time, as determined by the governing board of the school district. A pupil who does not achieve satisfactory educational progress, as defined in paragraph (4), during the probationary

period shall not be allowed to participate in extracurricular and cocurricular activities in the subsequent grading period.

(9) Nothing in this subdivision shall preclude the governing board of a school district from imposing a more stringent academic standard than that imposed by this subdivision. If the governing board of a school district imposes a more stringent academic standard, the governing board shall establish the criteria for participation in extracurricular and cocurricular activities at a meeting open to the public pursuant to Section 35145.

The governing board of each school district shall annually review the school district policies adopted pursuant to the requirements of this section.

(c) (1) On or before July 1, 1994, the governing board of each school district shall, as a condition for the receipt of school apportionments from the state school fund, adopt rules and regulations establishing a policy of open enrollment within the district for residents of the district.

(2) The policy shall include all of the following elements:

(A) It shall provide that the parents or guardian of each schoolage child who is a resident in the district may select the schools the child shall attend, irrespective of the particular locations of his or her residence within the district, except that school districts shall retain the authority to maintain appropriate racial and ethnic balances among their respective schools at the school districts' discretion or as specified in applicable court-ordered or voluntary desegregation plans.

(B) It shall include a selection policy for any school that receives requests for admission in excess of the capacity of the school that ensures that selection of pupils to enroll in the school is made through a random, unbiased process that prohibits an evaluation of whether any pupil should be enrolled based upon his or her academic or athletic performance. However, school districts of choice may employ existing entrance criteria for specialized schools or programs if the criteria are uniformly applied to all applicants.

(C) It shall provide that no pupil who currently resides in the attendance area of a school shall be displaced by pupils transferring from outside the attendance area.

(3) It is the intent of the Legislature that, upon the request of the pupil's parent or guardian and demonstration of financial need, each school district provide transportation assistance to the pupil to the extent that the district otherwise provides transportation assistance to pupils.

SEC. 2. 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 also shall 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) The notification also may advise the parent or guardian of the importance of investing for future college or university education for their children and of considering appropriate investment options including, but not limited to, United States Savings Bonds.

(d) School districts that 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.

(e) Until June 30, 1995, the notification also shall advise the parent or guardian of the availability of the employment-based school attendance options pursuant to subdivision (f) of Section 48204.

(f) The notification also shall include a copy of the district's written policy on sexual harassment established pursuant to Section 212.6, as it relates to pupils.

(g) The notification shall advise the parent or guardian of all current statutory attendance options and local attendance options available in the school district. That notification shall include all options for meeting residency requirements for school attendance, programmatic options offered within the local attendance areas, and any special programmatic options available on both an interdistrict and intradistrict basis. That notification also shall include a description of all options, a description of the procedure for application for alternative attendance areas or programs, an application form from the district for requesting a change of attendance, and a description of the appeals process available, if any, for a parent or guardian denied a change of attendance. It is the intent of the Legislature that the governing board of each school district annually review the enrollment options available to the pupils within their districts and that the school districts strive to make available enrollment options that meet the diverse needs, potential, and interests of California's pupils.

SEC. 3. This act shall become operative only if Assembly Bill 19 of the 1993–94 Regular Session is enacted.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

CHAPTER 162

An act to amend Sections 212.5, 462, 667.5, and 1170.95 of the Penal Code, relating to crimes.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 212.5 of the Penal Code is amended to read:

212.5. (a) Every robbery of any person who is performing his or her duties as an operator of any bus, taxicab, cable car, streetcar, trackless trolley, or other vehicle, including a vehicle operated on stationary rails or on a track or rail suspended in the air, and used for the transportation of persons for hire, every robbery of any passenger which is perpetrated on any of these vehicles, and every robbery which is perpetrated in an inhabited dwelling house, a vessel as defined in Section 21 of the Harbors and Navigation Code which is inhabited and designed for habitation, an inhabited floating home as defined in subdivision (d) of Section 18075.55 of the Health and Safety Code, a trailer coach as defined in the Vehicle Code which is inhabited, or the inhabited portion of any other building is robbery of the first degree.

(b) All kinds of robbery other than those listed in subdivision (a) are of the second degree.

SEC. 2. Section 462 of the Penal Code is amended to read:

462. (a) 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 who is convicted of a burglary of an inhabited dwelling house or trailer coach as defined in Section 635 of the Vehicle Code, an inhabited floating home as defined in subdivision (d) of Section 18075.55 of the Health and Safety Code, or the inhabited portion of any other building.

(b) If the court grants probation under subdivision (a), it shall specify the reason or reasons for that order on the court record.

SEC. 3. 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). However, 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 paragraph (2) of subdivision (a) 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 the age of 14 years 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 or 12022.55.

(9) Any robbery perpetrated in an inhabited dwelling house, or vessel as defined in Section 21 of the Harbors and Navigation Code which is inhabited and designed for habitation, an inhabited floating home as defined in subdivision (d) of Section 18075.55 of the Health and Safety Code, an inhabited 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 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.

(12) Attempted murder.

(13) A violation of Section 12308.

(14) Kidnapping in violation of subdivision (b) of Section 207.

(15) Continuous sexual abuse of a child in violation of Section 288.5.

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 the 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 Mental 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 Department of 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. 4. 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, an inhabited floating home as defined in subdivision (d) of Section 18075.55 of the Health and Safety Code, an inhabited 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, an inhabited floating home as defined in subdivision (d) of Section 18075.55 of the Health and Safety Code, an inhabited 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. 5. This act shall be known, and may be cited, as the Bill Filante Floating Home Protection Act.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 163

An act to amend Sections 33459, 33459.2, 33459.3, and 33459.7 of, and to amend and repeal Section 33459.1 of, the Health and Safety Code, relating to hazardous substances.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 33459 of the Health and Safety Code is amended to read:

33459. For purposes of this article, the following definitions shall apply:

(a) "Department" means the Department of Toxic Substances Control.

(b) "Hazardous substance" means any hazardous substance as defined in subdivision (f) of Section 25281, and any reference to hazardous substance in the definitions referenced in this section shall be deemed to refer to hazardous substance as defined in this subdivision.

(c) "Qualified independent contractor" means an independent contractor who is any of the following:

(1) An engineering geologist who is certified pursuant to Section 7842 of the Business and Professions Code.

(2) A geologist who is registered pursuant to Section 7850 of the Business and Professions Code.

(3) A civil engineer who is registered pursuant to Section 6762 of the Business and Professions Code.

(d) "Release" means any release, as defined in Section 25320.

(e) "Remedy" or "remove" means any action to assess, evaluate, investigate, monitor, remove, correct, cleanup, or abate a release of a hazardous substance or to develop plans for those actions. "Remedy" includes any action set forth in Section 25322 and "remove" includes any action set forth in Section 25323.

(f) "Responsible party" means, notwithstanding any other provision of law, any person described in subdivision (a) of Section 25323.5 of this code or subdivision (a) of Section 13304 of the Water Code.

SEC. 2. Section 33459.1 of the Health and Safety Code is amended to read:

33459.1. (a) An agency may take any actions which the agency determines are necessary and which are consistent with other state and federal laws to remedy or remove a release of hazardous substances on, under, or from property within a project area, subject to the conditions specified in subdivision (b). The agency shall request cleanup guidelines from the department and shall provide the department and local health and building departments with notification of any cleanup activity pursuant to this section at least 30 days before the commencement of the activity. If an action taken by an agency to remedy or remove a release of a hazardous substance is not satisfactory to the department or the California regional water quality control board, the department or the California regional water quality control board may require the agency to take, or cause the taking of, additional action to remedy or remove the release, as provided by applicable law. If methane or landfill gas is present, the agency shall obtain written approval from the California Integrated Waste Management Board prior to taking that action.

(b) Except as provided in subdivision (c), an agency may take the actions specified in subdivision (a) only under one of the following conditions:

(1) There is no responsible party for the release identified by the agency.

(2) The party determined to be responsible for the release by the agency has been notified by the agency or has received adequate

notice from the department, a California regional water quality control board, the Environmental Protection Agency, or other governmental agency with relevant authority and has been given 60 days to respond and to propose a remedial action plan, and the responsible party has not agreed within an additional 60 days to implement a plan to remedy or remove the release that has been found by the agency to be consistent, to the maximum extent possible, with the priorities, guidelines, criteria, and regulations contained in the National Contingency Plan and published pursuant to Section 9605 of Title 42 of the United States Code for similar releases, situations, or events.

(3) The party determined to be responsible for the release has entered into the agreement specified in paragraph (2), but the legislative body of the agency subsequently determines that the plan is not being carried out in an appropriate and timely manner by the responsible party.

(c) Subdivision (b) does not apply to either of the following agencies:

(1) An agency taking actions to investigate or conduct feasibility studies concerning a release.

(2) An agency taking the actions specified in subdivision (a) if the agency determines that conditions require immediate action.

(d) 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. 3. Section 33459.2 of the Health and Safety Code is amended to read:

33459.2. (a) Within a project area, an agency may take any actions which the agency determines are necessary and which are consistent with other state and federal laws to remedy or remove hazardous waste from property if the agency obtains written approval from the department or a California regional water quality control board, as appropriate, prior to taking that action. In addition, if methane or landfill gas is present, the agency shall also obtain written approval from the California Integrated Waste Management Board prior to taking that action.

(b) The terms "remove," "remedy," and "hazardous waste," as used in this section, have the same meaning given those terms by Sections 25323, 25322, and 25117, respectively.

(c) This section shall become operative on January 1, 1999.

SEC. 4. Section 33459.3 of the Health and Safety Code is amended to read:

33459.3. (a) Notwithstanding any other provision of law, except as provided in Section 33459.7, an agency that undertakes and completes an action, as specified in subdivision (c), to remedy or remove a hazardous substance release on, under, or from property within a redevelopment project, in accordance with a cleanup or remedial action plan prepared by a qualified independent contractor and approved by the department or a California regional water

quality control board, as appropriate, pursuant to subdivision (b), is not liable, with respect to that release only, under Division 7 (commencing with Section 13000) of the Water Code or Chapter 6.5 (commencing with Section 25100), Chapter 6.7 (commencing with Section 25280), Chapter 6.75 (commencing with Section 25299.10), or Chapter 6.8 (commencing with Section 25300), of Division 20 of this code, or any other state or local law providing liability for remedial or removal actions for releases of hazardous substances.

(b) Upon approval of any cleanup or remedial action plan, pursuant to applicable statutes and regulations, the Director of Toxic Substances Control or the California regional water quality control board, as appropriate, shall acknowledge, in writing, that upon proper completion of the remedial or removal action in accordance with the plan, the immunity provided by this section shall apply to the agency.

(c) Notwithstanding any provision of law or policy providing for certification by a person conducting a remedial or removal action that the action has been properly completed, a determination that a remedial or removal action has been properly completed pursuant to this section shall be made only upon the affirmative approval of the Director of Toxic Substances Control or the California regional water quality control board, as appropriate.

(d) Upon proper completion of a remedial or removal action, as specified in subdivision (c), the immunity provided by this section extends to all of the following, but only for the release or releases specifically identified in the approved cleanup or remedial action plan and not for any subsequent release or any release not specifically identified in the approved cleanup or remedial action plan:

(1) Any employee or agent of the agency, including an instrumentality of the agency authorized to exercise some, or all, of the powers of an agency within, or for the benefit of, a redevelopment project and any employee or agent of the instrumentality.

(2) Any person who enters into an agreement with an agency for the redevelopment of property, if the agreement requires the person to acquire property affected by a hazardous substance release or to remove or remedy a hazardous substance release with respect to that property.

(3) Any person who acquires the property after a person has entered into an agreement with an agency for redevelopment of the property as described in paragraph (2).

(4) Any person who provided financing to a person specified in paragraph (2) or (3).

(e) Notwithstanding any other provision of law, the immunity provided by this section does not extend to any of the following:

(1) Any person who was a responsible party for the release before entering into an agreement, acquiring property, or providing financing, as specified in subdivision (d).

(2) Any person specified in subdivision (a) or (d) for any subsequent release of a hazardous substance or any release of a hazardous substance not specifically identified in the approved cleanup or remedial action plan.

(3) Any contractor who prepares the cleanup or remedial action plan, or conducts the removal or remedial action.

(4) Any person who obtains an approval, as specified in subdivision (b), or a determination, as specified in subdivision (c), by fraud, negligent or intentional nondisclosure, or misrepresentation, and any person who knows before the approval or determination is obtained or before the person enters into an agreement, acquires the property or provides financing, as specified in subdivision (d), that the approval or determination was obtained by these means.

(f) The immunity provided by this section is in addition to any other immunity of an agency provided by law.

(g) This section does not impair any cause of action by an agency or any other party against the person, firm, or entity responsible for the hazardous substance release which is the subject of the removal or remedial action taken by the agency or other person immune from liability pursuant to this section.

(h) This section does not apply to, or limit, alter, or restrict, any action for personal injury, property damage, or wrongful death.

(i) This section does not limit liability of a person described in paragraph (3) or (4) of subdivision (d) for damages under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601 et seq.).

(j) The agency shall reimburse the department and the State Water Resources Control Board for their costs to review or approve cleanup or remedial action plans pursuant to this section.

SEC. 5. Section 33459.7 of the Health and Safety Code is amended to read:

33459.7. Sections 33459.3 and 33459.4 apply only to remedial or removal actions commenced by an agency before January 1, 1999. For purposes of this section, an agency that adopts a resolution to undertake a removal or remedial action shall be deemed to have commenced the removal or remedial action on the date the resolution is adopted.

CHAPTER 164

An act to amend Section 730 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 730 of the Welfare and Institutions Code is amended to read:

730. (a) When a minor is adjudged a ward of the court on the ground that he or she is a person described by Section 602, the court may order any of the types of treatment referred to in Section 727, and as an additional alternative, may commit the minor to a juvenile home, ranch, camp, or forestry camp. If there is no county juvenile home, ranch, camp, or forestry camp within the county, the court may commit the minor to the county juvenile hall.

(b) When a ward described in subdivision (a) is placed under the supervision of the probation officer or committed to the care, custody, and control of the probation officer, the court may make any and all reasonable orders for the conduct of the ward including the requirement that the ward go to work and earn money for the support of his or her dependents or to effect reparation and in either case that the ward keep an account of his or her earnings and report the same to the probation officer and apply these earnings as directed by the court. The court may impose and require any and all reasonable conditions that it may determine fitting and proper to the end that justice may be done and the reformation and rehabilitation of the ward enhanced.

(c) When a ward described in subdivision (a) is placed under the supervision of the probation officer or committed to the care, custody, and control of the probation officer, and is required as a condition of probation to participate in community service or graffiti cleanup, the court may impose a condition that if the minor unreasonably fails to attend or unreasonably leaves prior to completing the assigned daily hours of community service or graffiti cleanup, a law enforcement officer may take the minor into custody for the purpose of returning the minor to the site of the community service or graffiti cleanup.

CHAPTER 165

An act to amend Section 1768.8 of the Welfare and Institutions Code, relating to minors.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 1768.8 of the Welfare and Institutions Code is amended to read:

1768.8. (a) An assault or battery by any person confined in an institution under the jurisdiction of the Department of the Youth Authority upon the person of any individual who is not confined therein shall be 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 a fine and imprisonment.

(b) An assault by any person confined in an institution under the jurisdiction of the Department of the Youth Authority upon the person of any individual who is not confined therein, with a deadly weapon or instrument, or by any means of force likely to produce great bodily injury, is a felony punishable by imprisonment in the state prison for two, four, or six years.

CHAPTER 166

An act to amend Section 29082 of, to amend and renumber Section 29080 of, and to add Section 29080 to, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 29080 of the Food and Agricultural Code is amended and renumbered to read:

29080.5. The director may, after notice and hearing, establish regions for the notification of apiary owners relative to pesticide applications if the director determines that the notification could be effectively accomplished on a regional basis and that there would be sufficient interest among beekeepers and pest control operators to make substantial participation in a regional notification system likely. The regions may be composed of more than one county or portions of counties, but no single county or portion of a county may become an entire region.

SEC. 2. Section 29080 is added to the Food and Agricultural Code,

to read:

29080. As used in this article and in Article 7 (commencing with Section 29100) "director" means the Director of Pesticide Regulation.

SEC. 3. Section 29082 of the Food and Agricultural Code is amended to read:

29082. The coordinator may receive money from any source and shall deposit the funds in the Department of Pesticide Regulation Fund, or with the approval of the director, in the county treasury, for expenditure pursuant to the purposes of this article, upon appropriation therefor by the Legislature, or, if the funds are deposited in the county treasury, by the county board of supervisors. The director may, if he or she determines that it is necessary, establish fees for beekeepers and pest control operators who participate. The fees may, if necessary, vary for different regions, but shall in no case be greater than the amount necessary to defray the expenses of that region. If an unexpended surplus exists for more than two consecutive years, the surplus funds shall be transferred to the beekeeping program. If the operation of the system is suspended or terminated, any unexpended moneys shall be deposited in the Department of Food and Agriculture Fund to be used as prescribed in Section 29032.

CHAPTER 167

An act to add Section 12419.11 to the Government Code, relating to offsets.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 12419.11 is added to the Government Code, to read:

12419.11. (a) The Labor Commissioner shall submit a request to the Controller to offset amounts due from a person or entity as the result of any judgment issued pursuant to Section 98.2 of the Labor Code that is not satisfied within 90 days of the issuance of a final judgment. The Controller shall, to the extent feasible, offset the unpaid amount of the judgment against any amount owing the person or entity on a claim for refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law, on a claim for refund from the State Board of Equalization under the Sales and Use Tax Law, or from winnings in the California State Lottery. Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller. Whenever insufficient funds are available to satisfy an offset request, the

Controller, after first applying the amounts available to any amount due a state agency, may allocate the balance among any other requests for offset.

(b) At the time a judgment becomes final, corporations against whom a claim is filed shall be required to provide the Labor Commissioner with the corporation's identification number issued by the Secretary of State, and an individual against whom a claim is filed shall be required to provide his or her Social Security number.

CHAPTER 168

An act to amend Section 7058.7 of the Business and Professions Code, relating to contractors.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 7058.7 of the Business and Professions Code is amended to read:

7058.7. (a) No contractor shall engage in a removal or remedial action, as defined in subdivision (d), unless the qualifier for the license has passed an approved hazardous substance certification examination.

(b) (1) The Contractors' State License Board, the Division of Occupational Safety and Health of the Department of Industrial Relations, and the Department of Toxic Substances Control shall jointly select an advisory committee, which shall be composed of two representatives of hazardous substance removal workers in California, two general engineering contractors in California, and two representatives of insurance companies in California who shall be selected by the Insurance Commissioner.

(2) The Contractors' State License Board shall develop a written test for the certification of contractors engaged in hazardous substance removal or remedial action, in consultation with the Division of Occupational Safety and Health, the State Water Resources Control Board, the Department of Toxic Substances Control, and the advisory committee.

(c) The Contractors' State License Board may require additional updated approved hazardous substance certification examinations of licensees currently certified based on new public or occupational health and safety information. The Contractors' State License Board, in consultation with the Department of Toxic Substances Control and the State Water Resources Control Board, shall approve other initial and updated hazardous substance certification examinations and determine whether to require an updated certification examination of all current certificate holders.

(d) For purposes of this section "removal or remedial action" has the same meaning as found in Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, if the action requires the contractor to dig into the surface of the earth and remove the dug material and the action is at a site listed pursuant to Section 25356 of the Health and Safety Code or any other site listed as a hazardous waste site by the Department of Toxic Substances Control or a site listed on the National Priorities List compiled pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.). "Removal or remedial action" does not include asbestos-related work, as defined in Section 6501.8 of the Labor Code, or work related to a hazardous substance spill on a highway.

(e) (1) A contractor shall not install or remove an underground storage tank, unless the contractor has passed the hazardous substance certification examination developed pursuant to this section.

(2) A contractor who is not certified may bid on or contract for the installation or removal of an underground tank, as long as the work is performed by a contractor who is certified pursuant to this section.

(3) For purposes of this subdivision, "underground storage tank" has the same meaning as defined in subdivision (x) of Section 25281 of the Health and Safety Code.

CHAPTER 169

An act to amend Section 830.6 of the Penal Code, relating to peace officers.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 830.6 of the Penal Code is amended to read:

830.6. (a) (1) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city police officer, a reserve deputy sheriff, a reserve police officer of a regional park district or of a transit district, a reserve harbor or port police officer of a county, city, or district as specified in Section 663.5 of the Harbors and Navigation Code, a reserve deputy of the Department of Fish and Game, a reserve special agent of the Department of Justice, a reserve officer of a community service district which is authorized under subdivision (h) of Section 61600 of the Government Code to maintain a police department or other police protection, or a reserve officer of a police protection district formed under Part 1 (commencing with Section 20000) of Division

14 of the Health and Safety Code, and is assigned specific police functions by that authority, the person is a peace officer; provided, the person qualifies as set forth in Section 832.6, and provided further, that the authority of the person as a peace officer shall extend only for the duration of the person's specific assignment. A transit, harbor, or port district reserve officer may carry firearms only if authorized by, and under those terms and conditions as are specified by, his or her employing agency.

(2) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city police officer, a reserve deputy sheriff, a reserve police officer of a regional park district or of a transit district, or a reserve harbor or port police officer of a county, city, or district as specified in Section 663.5 of the Harbors and Navigation Code, and is so designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, and is assigned to the prevention and detection of crime and the general enforcement of the laws of this state by that authority, the person is a peace officer; provided the person qualifies as set forth in paragraph (1) of subdivision (a) of Section 832.6, and provided further, that the authority of the person shall include the full powers and duties of a peace officer as provided by Section 830.1, or in the case of a transit, harbor, or port district reserve police officer, or a city or county reserve peace officer not authorized by Section 830.1, the powers and duties which are authorized in Section 830.33.

(b) Whenever any person is summoned to the aid of any uniformed peace officer, the summoned person shall be vested with the powers of a peace officer as are expressly delegated to him or her by the summoning officer or as are otherwise reasonably necessary to properly assist the officer.

CHAPTER 170

An act to add Section 926.18 to the Government Code, relating to state contracts.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 926.18 is added to the Government Code, to read:

926.18. Notwithstanding any other provision of law, Sections 926.15 and 926.17 shall be applicable to all state agencies, including but not limited to, the Public Employees' Retirement System, the State Teachers' Retirement System, the Treasurer, and the Department of General Services.

CHAPTER 171

An act to amend Section 11512.5 of the Food and Agricultural Code, relating to economic poisons.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 11512.5 of the Food and Agricultural Code is amended to read:

11512.5. Whenever the commissioner suspends a county registration or permit pursuant to Section 11735, 11924, 12035, or 14008, the party suspended may appeal to the director within 10 days of mailing or personal service of the commissioner's order. The following procedure shall apply to the appeal:

(a) The appeal need not be formal, but it shall be in writing and signed by the appellant or his or her authorized agent, shall state the grounds for the appeal, and may include a request that the commissioner's suspension order be stayed pending the director's decision.

(b) Any party may, at the time of filing the appeal or within 10 days thereafter, make written application to the director to present new evidence, stating the materiality of the evidence, and the reasons why the evidence was not introduced at the hearing before the commissioner. The evidence may be allowed in the discretion of the director. Thereafter, 10 days shall be given the parties to rebut the evidence and make written application to the director to present oral or written argument. An application to present written argument shall be granted, but the director shall have discretion to grant oral argument or to grant both oral and written argument. If an application to present oral argument is granted, written notice of the time and place for oral argument shall be given each party at least 10 days before the date set therefor. The time may be shortened by mutual agreement of the parties. If written argument is granted, all parties shall be notified thereof and shall simultaneously file briefs within the time specified by the director.

(c) The director shall decide the appeal upon the evidence received at the hearing before the commissioner, and such oral or written argument and new or additional evidence as the director may have received.

(d) On an appeal pursuant to this section, the director may sustain, reverse, or modify the suspension of a county registration or permit. A copy of the director's decision shall be delivered or mailed to each party. This shall not be a limitation on the director's authority to institute proceedings against any state license issued pursuant to this division or any permit issued pursuant to Division 7 (commencing with Section 12501).

(e) A review of a decision of the director may be sought by the appellant within 30 days of the date of the decision pursuant to Section 1094.5 of the Code of Civil Procedure.

CHAPTER 172

An act to amend Sections 41201, 41201.5, 41205, 41205.5, 41207, 41207.5, and 41256 of the Food and Agricultural Code, relating to wine grapes.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 41201 of the Food and Agricultural Code is amended to read:

41201. There is in the department a Wine Grape Inspection Advisory Committee consisting of 10 wine producers and 10 wine grape growers appointed by the director. The director may appoint one additional member to the committee, who shall be a public member. The members of the committee shall receive no compensation.

In making appointments to the committee, the director shall appoint only one person to represent any one winery or growers' firm, and shall make every effort to ensure that there is geographical representation from the major wine grape production areas in the state.

This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 2. Section 41201.5 of the Food and Agricultural Code is amended to read:

41201.5. There is in the department a Wine Grape Inspection Advisory Committee consisting of eight wine producers and eight wine grape growers appointed by the director. The director shall appoint one additional member to the committee, who may be a public member. The members of the committee shall receive no compensation.

In making appointments to the committee, the director shall appoint only one person to represent any one winery or growers' firm, and shall make every effort to ensure that there is geographical representation from the major wine grape production areas in the state.

This section shall become operative on January 1, 1996.

SEC. 3. Section 41205 of the Food and Agricultural Code is amended to read:

41205. The members of the committee, or their voting alternates,

consisting of at least six producers and six processors, shall constitute a quorum. Any action of the committee shall require not less than six affirmative votes of the processor members and six affirmative votes of the producer members.

This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 4. Section 41205.5 of the Food and Agricultural Code is amended to read:

41205.5. The members of the committee, or their voting alternates, consisting of at least five producers and five processors, shall constitute a quorum. Any action of the committee shall require not less than five affirmative votes of the processor members and five affirmative votes of the producer members.

This section shall become operative on January 1, 1996.

SEC. 5. Section 41207 of the Food and Agricultural Code is amended to read:

41207. (a) The committee shall be advisory to the director on all matters pertaining to this chapter and certification of the quality of grapes used for processing pursuant to Section 40531 and shall make recommendations concerning the inspection and certification services rendered, including the annual budget and fees necessary to provide adequate inspection services and varietal and appellation integrity. All recommendations for budgets and assessment fees shall be submitted to the director on or before May 1 of each year.

(b) The committee's primary goal shall be to recommend to the director objective criteria and inspection procedures for all quality conditions that have an effect on the acceptance of, or on the amount of the purchase price of, fresh grapes for wine and byproduct purposes.

(c) The committee may also recommend to the director the institution and promotion of scientific research pertaining to varietal and appellation integrity.

(d) On or before May 1 of each year, the committee shall receive and evaluate comments and report to the director concerning the performance of the varietal and appellation integrity program and the progress toward attaining the goals of the program. The committee shall, based upon their evaluation, make recommendations so that the program is as active or inactive as the committee deems appropriate.

This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 6. Section 41207.5 of the Food and Agricultural Code is amended to read:

41207.5. (a) The committee shall be advisory to the director on all matters pertaining to this chapter and certification of the quality of grapes used for processing pursuant to Section 40531 and shall make recommendations concerning the inspection and certification

services rendered, including the annual budget and fees necessary to provide adequate inspection services. All recommendations for budgets and assessment fees shall be submitted to the director on or before May 1 of each year.

(b) The committee's primary goal shall be to recommend to the director objective criteria and inspection procedures for all quality conditions that have an effect on the acceptance of, or on the amount of the purchase price of, fresh grapes for wine and byproduct purposes.

(c) This section shall become operative on January 1, 1996.

SEC. 7. Section 41256 of the Food and Agricultural Code is amended to read:

41256. Notwithstanding the provisions in Sections 41201.5, 41205.5, and Section 41207.5 that specify that those sections shall become operative on January 1, 1996, all of the provisions of this article shall remain in effect only until January 1, 1996, and as of that date are repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 173

An act to amend Section 441 of the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 441 of the Revenue and Taxation Code is amended to read:

441. Each person owning taxable personal property, other than a mobilehome subject to Part 13 (commencing with Section 5800), having an aggregate cost of thirty thousand dollars ($30,000) or more for the initial assessment year or an aggregate cost of one hundred thousand dollars ($100,000) or more for any subsequent assessment year shall file a signed property statement with the assessor. Every person owning personal property which does not require the filing

of a property statement or real property shall upon request of the assessor file a signed property statement. Failure of the assessor to request or secure the property statement does not render any assessment invalid.

(a) The property statement shall be declared to be true under the penalty of perjury and filed with the assessor between the lien date and 5 p.m. on the last Friday in May, annually, or between the lien date and any earlier time as the assessor may appoint.

(b) If the assessor appoints a time other than the last Friday in May, it shall be no earlier than April 1. In this event the penalty provided by Section 463 shall apply if the property statement is not filed with the assessor by 5 p.m. on the last Friday in May or if all of the following apply:

(1) The property statement is not filed within the time appointed by the assessor.

(2) The assessor has given notice by certified or registered mail, or by first-class mail, properly addressed with postage prepaid, no earlier than 15 days after the time appointed by the assessor of nonreceipt of the property statement within the appointed time. If the notice is given by first-class mail, the assessor shall obtain a certificate of mailing issued by the United States Postal Service verifying the fact and date of mailing of the notice.

(3) The property statement has not been filed with the assessor within 15 days following the date of receipt of the notice, if the notice is given by certified or registered mail, or within 20 days following the date shown on the certificate of mailing, if the notice is given by first-class mail.

(c) The property statement may be filed with the assessor through the United States mail, properly addressed with postage prepaid. This subdivision shall be applicable to every taxing agency, including, but not limited to, a chartered city and county, or chartered city.

(d) At any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his or her property or any other personal property located on premises he or she owns or controls. In this connection details of property acquisition transactions, construction and development costs, rental income, and other data relevant to the determination of an estimate of value are to be considered as information essential to the proper discharge of the assessor's duties.

(e) In the case of a corporate owner of property, the property statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign the statements on behalf of the corporation.

(f) In the case of property owned by a bank or other financial institution and leased to an entity other than a bank or other financial institution, the property statement shall be submitted by the owner bank or other financial institution.

(g) The assessor may refuse to accept any property statement he or she determines to be in error.

CHAPTER 174

An act to amend Section 20633 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 20633 of the Government Code is amended to read:

20633. (a) Notwithstanding Section 20632, this article shall apply to all state members, on and after January 1, 1994, solely at the option and expense of the member.

(b) The additional contributions made by a member pursuant to Section 20630, in excess of normal contributions shall not be refunded to the member unless he or she ceases to be a member pursuant to Section 20390 or, upon retirement for service, the member elects a refund in lieu of an annuity based on his or her accumulated contributions in excess of normal contributions. No employer shall make, with respect to a member who elects to participate pursuant to this section, any employer contributions therefor or any additional employer contributions therefor. The cost of participation and the administrative costs shall be paid solely by additional member contributions. This subdivision shall apply only to state members.

CHAPTER 175

An act to add Section 1742 to the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 1742 is added to the Welfare and Institutions Code, to read:

1742. When the juvenile court commits to the Youth Authority a person identified as an individual with exceptional needs, as defined by Section 56026 of the Education Code, the juvenile court, subject to the requirements of subdivision (a) of Section 727 and subdivision (b) of Section 737, shall not order the juvenile conveyed to the

physical custody of the Youth Authority until the juvenile's individualized education program previously developed pursuant to Article 3 (commencing with Section 56340) of Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code for the individual with exceptional needs, has been furnished to the Department of the Youth Authority.

To facilitate this process the juvenile court shall assure that the probation officer communicates with appropriate staff at the juvenile court school, county office of education, or special education local planning area.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 176

An act to add Section 4507 to the Family Code, and to amend Section 1151.5 of the Government Code, relating to family law.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 4507 is added to the Family Code, to read:

4507. 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 in Section 1151.5 of the Government Code.

SEC. 2. Section 1151.5 of the Government Code is amended to read:

1151.5. 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, family, or former spouse for whom the employee has a duty of support. A service charge may be assessed for this deduction.

CHAPTER 177

An act to amend Section 62000.14 of the Education Code, relating to Indian education centers.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Notwithstanding any other provision of law, all sections of the Education Code and of the California Code of Regulations relative to Indian education centers that became inoperative on January 1, 1992, pursuant to Section 62000.14 of the Education Code, shall be reactivated on January 1, 1994.

SEC. 2. Section 62000.14 of the Education Code is amended to read:

62000.14. The following program shall sunset on January 1, 1997:

Indian education centers.

CHAPTER 178

An act to amend Section 13234 of, and to repeal Sections 13231 and 13232 of, the Health and Safety Code, relating to fire protection.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 13231 of the Health and Safety Code is repealed.

SEC. 2. Section 13232 of the Health and Safety Code is repealed.

SEC. 3. Section 13234 of the Health and Safety Code is amended to read:

13234. The State Fire Marshal may establish regulations for certification according to Section 13233, including the general form and contents of letters certifying conformance with high rise fire codes.

CHAPTER 179

An act to add Sections 280, 281, 282, and 283 to the Streets and Highways Code, relating to highways.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 280 is added to the Streets and Highways Code, to read:

280. (a) There is created within the state scenic highway system a system of California Historic Parkways.

(b) California Historic Parkways are freeways that meet all of the following criteria:

(1) The original construction was completed prior to 1945.

(2) The department or the Office of Historic Preservation in the Department of Parks and Recreation announces or recognizes features of historical significance, including notable landmarks, historical sites, or natural or human achievements that exist or that occurred during the original construction of the parkway or in the immediately adjacent land area through which the parkway currently passes.

(3) Any portion of the highway or corridor is bounded on one or both sides by federal, state, or local parkland, Native American lands or monuments, or other open space, greenbelt areas, natural habitat or wildlife preserves, or similar acreage used for or dedicated to historical or recreational uses.

(4) Any portion of the highway is traversed, at the time of designation and by the department's best count or estimate using existing information, by not less than 40,000 vehicles per day on an annual daily average basis.

SEC. 2. Section 281 is added to the Streets and Highways Code, to read:

281. (a) The department, in consultation with the Office of Historic Preservation in the Department of Parks and Recreation, shall design signs and markers for exclusive use on California Historic Parkways that are distinct in color or other easily recognizable features from standard forms of signs on other state highways.

(b) The department shall cause appropriate signs and markers to be placed and maintained along those portions of the highways which have been designated as California Historic Parkways.

(c) The department shall include all California Historic Parkways on any maps or publications it issues that describe or depict State Scenic Highways.

SEC. 3. Section 282 is added to the Streets and Highways Code, to read:

282. A local agency, as defined in subdivision (c) of Section 65402

of the Government Code, shall coordinate its planning with, and obtain approval from, the appropriate local planning agency with regard to the construction of any agency facility that would be located within any California Historic Parkway.

SEC. 4. Section 283 is added to the Streets and Highways Code, to read:

283. That part of the California highway system frequently referred to as the Pasadena Freeway, which is the section of Interstate Highway Route 110 lying between milepost 25.7 and milepost 31.9 is hereby designated a California Historic Parkway pursuant to Section 280, and is named the Arroyo Seco Parkway.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 180

An act to amend Section 101.8 of the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 101.8 of the Streets and Highways Code is amended to read:

101.8. The department may design, place, and maintain, or cause to be designed, placed, and maintained, along state highways, signs to inform motorists of rail transportation services which receive public funding, in whole or in part, unless the sign would result in incurring the penalty specified in subsection (b) of Section 131 of Title 23 of the United States Code.

These signs may only be placed within the right-of-way of state highways that are parallel or adjacent to publicly funded passenger rail routes.

The signs are information structures or information signs as those terms are used in Sections 5203 and 5221 of the Business and

Professions Code.

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

In order to apprise motorists of existing publicly funded passenger rail services at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 181

An act to add Section 6456 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 6456 is added to the Revenue and Taxation Code, to read:

6456. (a) Under regulations prescribed by the board, if:

(1) On the application for a seller's permit described in Section 6066, both spouses' names appear as applicants,

(2) A tax liability under this part was understated by failure to file a return required to be filed under this part, or by the omission of an amount properly includable therein, or by erroneous deductions or credits claimed on a return, and the understatement of tax liability is attributable to one spouse,

(3) The other spouse establishes that he or she did not know of, and had no reason to know of, that understatement, and

(4) Taking into account whether or not the other spouse significantly benefited directly or indirectly from the understatement and taking into account all other facts and circumstances, it is inequitable to hold the other spouse liable for the deficiency in tax attributable to that understatement,

then the other spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) to the extent that the liability is attributable to that understatement of tax.

(b) For purposes of this section, the determination of the spouse to whom items of understatement are attributable shall be made without regard to community property laws.

(c) This section shall apply to all calendar quarters subject to the provisions of this part, but shall not apply to any calendar quarter that has been closed by a statute of limitations, res judicata, or otherwise.

(d) For purposes of paragraph (3) of subdivision (a), "reason to know" means whether or not a reasonably prudent person would

have had reason to know of the understatement.

(e) For purposes of this section, with respect to a failure to file a return or an omission of an item from the return, "attributable to one spouse" may be determined by whether a spouse rendered substantial service as a retailer of taxable items to which the understatement is attributable. If neither spouse rendered substantial services as a retailer, then the attribution of applicable items of understatement shall be treated as community property. An erroneous deduction or credit shall be attributable to the spouse who caused that deduction or credit to be entered on the return.

CHAPTER 182

An act to amend Section 1526 of the Penal Code, relating to crimes.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 1526 of the Penal Code is amended to read:

1526. (a) The magistrate, before issuing the warrant, may examine on oath the person seeking the warrant and any witnesses the person may produce, and shall take his or her affidavit or their affidavits in writing, and cause the affidavit or affidavits to be subscribed by the party or parties making them.

(b) In lieu of the written affidavit required in subdivision (a), the magistrate may take an oral statement under oath under one of the following conditions:

(1) The oath shall be made under penalty of perjury and recorded and transcribed. The transcribed statement shall be deemed to be an affidavit for the purposes of this chapter. In these cases, the recording of the sworn oral statement and the transcribed statement shall be certified by the magistrate receiving it and shall be filed with the clerk of the court. In the alternative in these cases, the sworn oral statement shall be recorded by a certified court reporter and the transcript of the statement shall be certified by the reporter, after which the magistrate receiving it shall certify the transcript which shall be filed with the clerk of the court.

(2) The oath is made using telephone and facsimile transmission equipment, as follows:

(A) The oath is made during a telephone conversation with the magistrate, whereafter the affiant shall sign his or her affidavit in support of the application for the search warrant. The proposed search warrant and all supporting affidavits and attachments shall then be transmitted to the magistrate utilizing facsimile transmission equipment.

(B) The magistrate shall confirm with the affiant the receipt of

the search warrant and the supporting affidavits and attachments. The magistrate shall verify that all the pages sent have been received, that all pages are legible, and that the affiant's signature is acknowledged as genuine.

(C) If the magistrate decides to issue the search warrant, he or she shall sign the warrant, note on the warrant the exact date and time of the issuance of the warrant, and indicate on the warrant that the oath of the affiant was administered orally over the telephone. The completed search warrant, as signed by the magistrate, shall be deemed to be the original warrant.

(D) The magistrate shall transmit via facsimile transmission equipment the signed search warrant to the affiant who shall telephonically acknowledge its receipt. The magistrate shall then telephonically authorize the affiant to write the words "duplicate original" on the copy of the completed search warrant transmitted to the affiant and this document shall be deemed to be a duplicate original search warrant. The original warrant and any affidavits or attachments in support thereof, and any duplicate original warrant, shall be returned as provided in Section 1534.

CHAPTER 183

An act to add Section 41820.5 to the Public Resources Code, relating to solid waste.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 41820.5 is added to the Public Resources Code, to read:

41820.5. (a) In addition to its authority under Section 41820, the board may, after a public hearing, grant a time extension from the requirements of Section 41780 to a city if all of the following conditions exist:

(1) The city was incorporated pursuant to Division 3 (commencing with Section 56000) of Title 5 of the Government Code after January 1, 1990.

(2) The city is a successor agency to more than one solid waste franchise agreement entered into by the county within which the city is located prior to incorporation of the city.

(3) The county within which the city is located did not include provisions in its franchises which ensured that the now incorporated area would comply with the diversion requirements of Section 41780.

(4) The city has prepared a source reduction and recycling element which has been approved by the board and which demonstrates that the city will comply with the diversion

requirements of Section 41780 on or before the date on which the time extension expires.

(b) A time extension granted by the board pursuant to this section shall not exceed the amount of time which elapsed between January 1, 1990, and the date on which the city was incorporated.

CHAPTER 184

An act to amend Section 1745.04 of the Water Code, relating to water.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 1745.04 of the Water Code is amended to read:

1745.04. A water supplier may contract with a state drought water bank or with any other state or local water supplier or user inside or outside the service area of the water supplier to transfer, or store as part of a transfer, water if the water supplier has allocated to the water users within its service area the water available for the water year, and no other user will receive less than the amount provided by that allocation or be otherwise unreasonably adversely affected without that user's consent.

CHAPTER 185

An act to amend Section 19550 of the Business and Professions Code, relating to horseracing.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 19550 of the Business and Professions Code is amended to read:

19550. The board shall require each licensed racing association that conducts 14 or less weeks of racing to designate 3 racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distributing agent.

For the purposes of this section, a split meeting shall be considered

a single meeting and shall designate the appropriate number of charity days based on the total weeks of racing allocated for both periods of the meeting.

This section does not apply to the California Exposition and State Fair, a county or district agricultural association fair, or to a licensed racing association conducting three weeks of racing or less.

CHAPTER 186

An act to amend Section 4000 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 4000 of the Vehicle Code is amended to read:

4000. (a) (1) No person shall drive, move, or leave standing upon a highway, or in an offstreet public parking facility, any motor vehicle, trailer, semitrailer, pole or pipe dolly, logging dolly, or auxiliary dolly unless it is registered and the appropriate fees have been paid under this code, except that an off-highway motor vehicle which displays an identification plate or device issued by the department pursuant to Section 38010 may be driven, moved, or left standing in an offstreet public parking facility without being registered or paying registration fees.

(2) For purposes of this subdivision, "offstreet public parking facility" means either of the following:

(A) Any publicly owned parking facility.

(B) Any privately owned parking facility for which no fee for the privilege to park is charged and which is held open for the common public use of retail customers.

(3) This subdivision does not apply to any motor vehicle stored in a privately owned offstreet parking facility by, or with the express permission of, the owner of the privately owned offstreet parking facility.

(b) No person shall drive, move, or leave standing upon a highway any motor vehicle, as defined in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code, which has been registered in violation of Part 5 (commencing with Section 43000) of that Division 26.

(c) Subdivisions (a) and (b) do not apply to off-highway motor vehicles operated pursuant to Sections 38025 and 38026.5.

(d) This section does not apply, following payment of fees due for registration, during the time that registration and transfer is being withheld by the department pending the investigation of any use tax

due under the Revenue and Taxation Code.

(e) Subdivision (a) does not apply to a vehicle that is towed by a tow truck on the order of a sheriff, marshal, or other official acting pursuant to a court order or on the order of a peace officer acting pursuant to Chapter 10 (commencing with Section 22650) of Division 11.

(f) Subdivision (a) applies to a vehicle that is towed from a highway or off-street parking facility under the direction of a highway service organization when that organization is providing emergency roadside assistance to that vehicle. However, the operator of a tow truck providing that assistance to that vehicle is not responsible for the violation of subdivision (a) with respect to that vehicle. The owner of an unregistered vehicle that is disabled and located on private property, shall obtain a permit from the department pursuant to Section 4003 prior to having the vehicle towed on the highway.

(g) For purposes of this section, possession of a California driver's license by the registered owner of a vehicle shall give rise to a rebuttable presumption that the owner is a resident of California.

CHAPTER 187

An act to amend Sections 61471 and 61472 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 61471 of the Food and Agricultural Code is amended to read:

61471. The director may, upon his or her own motion or upon the receipt of any verified complaint, investigate any transaction that involves the violation of any provision of this chapter by any person. The director may call and conduct a hearing in furtherance of that investigation.

SEC. 2. Section 61472 of the Food and Agricultural Code is amended to read:

61472. If a hearing is called by the director, the director shall cause a copy of the complaint, together with a notice of time and place of hearing of the complaint, to be served personally or by mail upon that person. Service shall be made at least 10 days before the hearing.

CHAPTER 188

An act to amend Section 382 of the Water Code, relating to water.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 382 of the Water Code is amended to read:

382. (a) Notwithstanding any other provision of law, every local or regional public agency authorized by law to serve water to the persons or entities within the service area of the agency may sell, lease, exchange, or otherwise transfer, for use outside the agency, either or both of the following:

(1) Water that is surplus to the needs of the water users of the agency.

(2) Water, the use of which is voluntarily foregone, during the period of the transfer, by a water user of the agency.

(b) This chapter does not prohibit or restrict the transfer of water or water rights by local or regional public agencies pursuant to other provisions of law.

CHAPTER 189

An act to amend Section 12071 of the Penal Code, relating to firearms.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 12071 of the Penal Code is amended to read:

12071. (a) (1) As used in this chapter, the term "licensee," "person licensed pursuant to Section 12071," or "dealer" means a person who has (A) a valid federal firearms license, (B) any regulatory or business license, or licenses, required by local government, (C) a valid seller's permit issued by the State Board of Equalization, (D) a certificate of eligibility issued by the Department of Justice pursuant to paragraph (4), and (E) a license issued in the format prescribed by paragraph (6).

(2) The duly constituted licensing authority of a city, county, or a city and county shall accept applications for, and may grant licenses permitting, licensees to sell firearms at retail within the city, county, or city and county. The duly constituted licensing authority shall inform applicants who are denied licenses of the reasons for the denial in writing.

(3) No license shall be granted to any applicant who fails to provide a copy of his or her valid federal firearms license, valid seller's permit issued by the State Board of Equalization, and the certificate of eligibility described in paragraph (4).

(4) A person may request a certificate of eligibility from the Department of Justice and the Department of Justice shall issue a certificate to an applicant when the department's records indicate that the applicant is not a person who is prohibited from possessing firearms.

(5) The department shall adopt regulations to administer the certificate of eligibility program and shall recover the full costs of administering the program by imposing fees assessed to applicants who apply for those certificates.

(6) A license granted by the duly constituted licensing authority of any city, county, or city and county, shall be valid for not more than one year from the date of issuance and shall be in one of the following forms:

(A) In the form prescribed by the Attorney General.

(B) A regulatory or business license which states on its face "Valid for Retail Sales of Firearms" and is endorsed by the signature of the issuing authority.

(C) A letter from the duly constituted licensing authority having primary jurisdiction for the applicant's intended business location stating that the jurisdiction does not require any form of regulatory or business license or does not otherwise restrict or regulate the sale of firearms.

(7) Local licensing authorities may assess fees to recover their full costs of processing applications for licenses.

(b) A license is subject to forfeiture for a breach of any of the following prohibitions and requirements:

(1) (A) Except as provided in subparagraphs (B) and (C), the business shall be conducted only in the buildings designated in the license.

(B) A person licensed pursuant to subdivision (a) may take possession of firearms and commence preparation of registers for the sale, delivery, or transfer of firearms at gun shows or events, as defined in Section 178.100 of Title 27 of the Code of Federal Regulations, or its successor, if the gun show or event is not conducted from any motorized or towed vehicle. A person conducting business pursuant to this subparagraph shall be entitled to conduct business as authorized herein at any gun show or event in the state without regard to the jurisdiction within this state that issued the license pursuant to subdivision (a), provided the person complies with (i) all applicable laws, including, but not limited to, the 15-day waiting period specified in subparagraph (A) of paragraph (3), and (ii) all applicable local laws, regulations, and fees, if any.

A person conducting business pursuant to this subparagraph shall publicly display his or her license issued pursuant to subdivision (a),

or a facsimile thereof, at any gun show or event, as specified in this subparagraph.

(C) A person licensed pursuant to subdivision (a) may engage in the sale and transfer of firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, at events specified in subdivision (g) of Section 12078, subject to the prohibitions and restrictions contained in that subdivision.

A person licensed pursuant to subdivision (a) also may accept delivery of firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, outside the building designated in the license, provided the firearm is being donated for the purpose of sale or transfer at an auction or similar event specified in subdivision (g) of Section 12078.

(2) The license or a copy thereof, certified by the issuing authority, shall be displayed on the premises where it can easily be seen.

(3) No firearm shall be delivered:

(A) Prior to January 1, 1996, within 15 days of the application for the purchase, 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. On or after January 1, 1996, within 15 days of the application for the purchase of a pistol, revolver, or other firearm capable of being concealed upon the person, 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. On or after January 1, 1996, within 10 days of the application for the purchase of any other firearm, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 10 days of the submission to the department of corrected copies of the register, or within 10 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later.

(B) Unless unloaded and securely wrapped or unloaded and in a locked container.

(C) Unless the purchaser or transferee either is personally known to the dealer or presents clear evidence of his or her identity and age to the dealer.

(D) Whenever the dealer is notified by the Department of Justice that the person is in a prohibited class described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(4) No pistol, revolver, or other firearm capable of being concealed upon the person or imitation thereof, or placard advertising the sale or other transfer thereof, shall be displayed in any part of the premises where it can readily be seen from the

outside.

(5) The licensee shall agree to and shall act properly and promptly in processing transfers of firearms pursuant to Section 12082.

(6) The licensee shall comply with Sections 12073 and 12077 and subdivisions (a) and (b) of Section 12072.

(7) The licensee shall post conspicuously within the licensed premises the following warning in block letters not less than one inch in height:

"IF YOU LEAVE A LOADED FIREARM WHERE A CHILD OBTAINS AND IMPROPERLY USES IT, YOU MAY BE FINED OR SENT TO PRISON."

(8) Commencing October 1, 1993, no pistol, revolver, or other firearm capable of being concealed upon the person shall be delivered unless the purchaser or transferee presents to the dealer a basic firearm safety certificate.

(9) Commencing July 1, 1992, the licensee shall offer to provide the purchaser or transferee of a firearm with a copy of the pamphlet described in Section 12080 and may add the cost of the pamphlet, if any, to the sales price of the firearm.

(10) The licensee shall not commit an act of collusion as defined in Section 12072.

(11) The licensee shall post conspicuously within the licensed premises a detailed list of each of the following:

(A) All charges required by governmental agencies for processing firearm transfers required by Sections 12076, 12082, and 12806.

(B) All fees that the licensee charges pursuant to Sections 12082 and 12806.

(12) The licensee shall not misstate the amount of fees charged by a governmental agency pursuant to Sections 12076, 12082, and 12806.

(c) (1) As used in this article, "clear evidence of his or her identity and age" includes, but is not limited to, a motor vehicle operator's license, a state identification card, an armed forces identification card, an employment identification card which contains the bearer's signature and photograph, or any similar documentation which provides the seller reasonable assurance of the identity and age of the purchaser.

(2) As used in this article, "a basic firearm safety certificate" means a basic firearm certificate issued to the purchaser or transferee by the Department of Justice pursuant to Article 8 (commencing with Section 12800) of Chapter 6.

CHAPTER 190

An act to amend Sections 6545 and 6546 of the Government Code, relating to joint powers agreements, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 6545 of the Government Code is amended to read:

6545. "Project" as used in this article includes buildings, structures, improvements and all facilities appurtenant thereto or provided therefor together with land and offstreet parking facilities necessary therefor to be financed by revenue bonds issued pursuant to this article. In addition, with respect to a facility for the generation or transmission of electric energy, a project also includes an ownership interest or a capacity right in that facility that may be situated in whole or in part within or without the state. In addition, with respect to a telecommunication system or service, a project also includes a contract for the installation, provision, or maintenance of that system or service. In addition, a project also includes any of the purposes specified in an agreement pursuant to Section 6516.

SEC. 2. Section 6546 of the Government Code is amended to read:

6546. In addition to other powers, any agency, commission, or board provided for by a joint powers agreement pursuant to Article 1 (commencing with Section 6500) may issue revenue bonds pursuant to this article to pay the cost and expenses of acquiring or constructing a project or conducting a program for any or all of the following purposes:

(a) An exhibition building or other place for holding fairs or exhibitions for the display of agricultural, livestock, industrial, or other products, including movable equipment, entertainment facilities, and other facilities to be used in conjunction with holding a fair or exposition in several locations including those projects and facilities specified in paragraph (1) of subdivision (f) of Section 19596.5 of the Business and Professions Code, and those projects and facilities specified in paragraph (1) of subdivision (i) of Section 19596.6 of the Business and Professions Code, and for those purposes specified in an agreement pursuant to Section 6516 of the Government Code.

(b) A coliseum, a stadium, a sports arena or sports pavilion or other building for holding sports events, athletic contests, contests of skill, exhibitions, spectacles, and other public meetings.

(c) Any other public buildings, including, but not limited to, general administrative facilities of a city, county, city and county,

special district, or authority.

(d) A regional or local public park, recreational area, or recreational center, and all facilities and improvements related thereto.

(e) A facility for the generation or transmission of electrical energy for public or private uses and all rights, properties, and improvements necessary therefor, including fuel and water facilities and resources. As used in this chapter, "transmission of electric energy" does not include the final distribution of electric energy to the consumer.

(f) A facility for the disposal, treatment, or conversion to energy and reusable materials of solid or hazardous waste or toxic substances.

(g) Facilities for the production, storage, transmission, or treatment of water or waste water.

(h) Local streets, roads, and bridges.

(i) Bridges and major thoroughfares construction pursuant to Sections 50029 and 66484.3.

(j) Mass transit facilities or vehicles.

(k) Publicly owned or operated commercial or general aviation airports and airport-related facilities.

(*l*) Police or fire stations.

(m) Public works facilities, including corporation yards.

(n) Public health facilities owned or operated by a city, county, city and county, special district, or authority.

(o) Criminal justice facilities, including court buildings, jails, juvenile halls, and juvenile detention facilities.

(p) Public libraries.

(q) Publicly owned or operated parking garages.

(r) Low-income housing projects owned or operated by a city, county, city and county, or housing authority.

(s) Public improvements authorized in a project area created pursuant to the Community Redevelopment Law, Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code.

(t) Public improvements authorized pursuant to the Improvement Act of 1911, Division 7 (commencing with Section 5000) of the Streets and Highways Code, the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code, the Municipal Improvement Act of 1913, Division 12 (commencing with Section 10000) of the Streets and Highways Code, and the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.

(u) Telecommunication systems or service, including, but not limited to, the installation, provision, or maintenance of that system or service.

(v) Programs, facilities, rights, properties, and improvements for the management, conservation, reuse, or recycling of electric

capacity or energy, natural gas, water, waste water, or recycled water, including demand side or load management and other programs and facilities designed to reduce the demand for, or permit or promote the efficient use of, those resources.

"Programs," for the purpose of this subdivision, shall include activities only to the extent the costs thereof may be charged to a capital account under applicable generally accepted accounting principles or are of a type required to be charged to a capital account by entities subject to regulation by the Public Utilities Commission or other regulatory body of the state.

(w) Equipment necessary to support the above-listed facilities or necessary to deliver public services therefrom, including, but not limited to, telecommunications equipment, computers, and service vehicles.

Bonds may be issued pursuant to this article if the joint powers entity, or its individual parties which contract pursuant to Section 6547.5, 6547.6, or 6547.7 to make payments to be applied to the payment of the indebtedness, have the power to acquire, construct, maintain, or operate one or more of the projects specified in this section.

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

In order to ensure that joint power authorities are not forced by limitations in existing law to meet new demands for water and energy only through the development of new production facilities rather than conservation programs, it is necessary that this act take effect immediately.

CHAPTER 191

An act to amend Section 229 of the Military and Veterans Code, relating to the state militia.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 229 of the Military and Veterans Code is amended to read:

229. When a board of officers finds that an officer is incapacitated for active service, and that his or her incapacity is the result of an incident of the service, and its decision is approved by the Governor, the officer shall be retired from active service and placed on the retired list of officers. When a board of officers finds the incapacity of an officer is not the result of any incident of the service, and its

decision is approved by the Governor, the officer shall be retired from active service, or discharged, as the Governor may determine.

CHAPTER 192

An act to amend Section 2053 of the Public Contract Code, relating to public contracts.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 2053 of the Public Contract Code is amended to read:

2053. (a) A participating state or local agency shall certify a business enterprise as a minority or women business enterprise if that business enterprise meets the definition of a minority or women business enterprise specified in subdivisions (d) and (e) of Section 2051 in accordance with the eligibility standards set forth in Section 23.53 of Title 49 of the Code of Federal Regulations.

(b) A participating state or local agency shall certify a business enterprise as a disadvantaged business enterprise if that business enterprise meets the definition of a disadvantaged business enterprise specified in subdivision (f) of Section 2051, in accordance with the "Guidance for Making Determinations of Social and Economic Disadvantage" set forth in Appendix C to Subpart D of Part 23 of Title 49 of the Code of Federal Regulations.

(c) The participating state or local agency may include a site visit as part of its certification process. However, if a participating state or local agency certifies an applicant without conducting a site visit, any other participating state or local agency may conduct a site visit to verify ownership and control of the minority, women, or disadvantaged business enterprise. For purposes of conducting a site visit, certification documentation retained by the participating state or local agency shall be provided, upon request, to any other participating state or local agency. The applicant shall be subject to only one site visit per year, unless ownership and control changes have occurred in the business within the 12-month period following a site visit. Nothing in this chapter shall prohibit a participating state or local agency from conducting a site visit for purposes of preparing a response to an appeal from a notice of intent to decertify pursuant to Section 2055.

(d) A participating state or local agency shall complete the certification process, including verification of information submitted by the applicant and the performance of a site visit, if applicable, and, within a reasonable amount of time, shall submit the appropriate information to the Department of Transportation for insertion into

the computerized data bank created pursuant to Section 2056.

(e) The grant of certification of a business enterprise by a participating state or local agency shall be valid for two years. A business enterprise that has been denied certification by a participating state or local agency may reapply for certification after six months have elapsed since the date of the denial of certification.

(f) A participating state or local agency shall provide adequate security methods to prevent contamination and unauthorized access to the information gathered during the verification process.

CHAPTER 193

An act to amend Sections 25102, 25104, 25113, and 25608 of the Corporations Code, relating to securities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 25102 of the Corporations Code is amended to read:

25102. The following transactions are exempted from the provisions of Section 25110:

(a) Any offer (but not a sale) not involving any public offering and the execution and delivery of any agreement for the sale of securities pursuant to such offer if (1) the agreement contains substantially the following provision: "The sale of the securities which are the subject of this agreement has not been qualified with the Commissioner of Corporations of the State of California and the issuance of such securities or the payment or receipt of any part of the consideration therefor prior to such qualification is unlawful, unless the sale of securities is exempt from the qualification by Section 25100, 25102, or 25105 of the California Corporations Code. The rights of all parties to this agreement are expressly conditioned upon such qualification being obtained, unless the sale is so exempt"; and (2) no part of the purchase price is paid or received and none of the securities are issued until the sale of such securities is qualified under this law unless the sale of securities is exempt from the qualification by this section, Section 25100 or 25105.

(b) Any offer (but not a sale) of a security for which a registration statement has been filed under the Securities Act of 1933 but has not yet become effective, or for which an offering statement under Regulation A has been filed but has not yet been qualified, if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under Section 8 of the act and no order under Section 25140 or subdivision (a) of

Section 25143 is in effect under this law.

(c) Any offer (but not a sale) and the execution and delivery of any agreement for the sale of securities pursuant to such offer as may be permitted by the commissioner upon application. Any negotiating permit under this subdivision shall be conditioned to the effect that none of the securities may be issued and none of the consideration therefor may be received or accepted until the sale of such securities is qualified under this law.

(d) Any transaction or agreement between the issuer and an underwriter or among underwriters if the sale of the securities is qualified, or exempt from qualification, at the time of distribution thereof in this state, if any.

(e) Any offer or sale of any evidence of indebtedness, whether secured or unsecured, and any guarantee thereof, in a transaction not involving any public offering.

(f) Any offer or sale of any security in a transaction (other than an offer or sale to a pension or profit-sharing trust of the issuer) which meets each of the following criteria:

(1) Sales of the security are not made to more than 35 persons, including persons not in this state.

(2) All purchasers either have a preexisting personal or business relationship with the offeror or any of its partners, officers, directors or controlling persons, or by reason of their business or financial experience or the business or financial experience of their professional advisors who are unaffiliated with and who are not compensated by the issuer or any affiliate or selling agent of the issuer, directly or indirectly, could be reasonably assumed to have the capacity to protect their own interests in connection with the transaction.

(3) Each purchaser represents that the purchaser is purchasing for the purchaser's own account (or a trust account if the purchaser is a trustee) and not with a view to or for sale in connection with any distribution of the security.

(4) The offer and sale of the security is not accomplished by the publication of any advertisement. The number of purchasers referred to above is exclusive of any described in subdivision (i), any officer, director or affiliate of the issuer and any other purchaser who the commissioner designates by rule. For purposes of this section, a husband and wife (together with any custodian or trustee acting for the account of their minor children) are counted as one person and a partnership, corporation or other organization which was not specifically formed for the purpose of purchasing the security offered in reliance upon this exemption, is counted as one person. The commissioner may by rule require the issuer to file a notice of transactions under this subdivision; provided, however, that the failure to file the notice or the failure to file the notice within the time specified by the rule of the commissioner shall not affect the availability of this exemption. An issuer who fails to file the notice as provided by rule of the commissioner shall, within 15 business days

after demand by the commissioner, file the notice and pay to the commissioner a fee equal to the fee payable had the transaction been qualified under Section 25110.

(g) Any offer or sale of conditional sale agreements, equipment trust certificates, or certificates of interest or participation therein or partial assignments thereof, covering the purchase of railroad rolling stock or equipment or the purchase of motor vehicles, aircraft, or parts thereof, in a transaction not involving any public offering.

(h) Any offer or sale of voting common stock by a corporation incorporated in any state if, immediately after the proposed sale and issuance, there will be only one class of stock of such corporation outstanding which is owned beneficially by no more than 35 persons, provided all of the following requirements have been met:

(1) All such stock shall be evidenced by certificates which shall have stamped or printed prominently on their face a legend in a form to be prescribed by rule of the commissioner restricting transfer of such stock in such manner as the rule provides.

(2) The offer and sale of such stock is not accompanied by the publication of any advertisement, and no selling expenses have been given, paid, or incurred in connection therewith.

(3) The consideration to be received by the issuer for the stock to be issued shall consist of (i) only assets (which may include cash) of an existing business enterprise transferred to the issuer upon its initial organization, of which all of the persons who are to receive the stock to be issued pursuant to this exemption were owners during, and such enterprise was operated for, a period of not less than one year immediately preceding the proposed issuance, and the ownership of such enterprise immediately prior to such proposed issuance was in the same proportions as the shares of stock are to be issued, or (ii) only cash or cancellation of indebtedness for money borrowed or both upon the initial organization of the issuer, provided all such stock is issued for the same price per share, or (iii) only cash, provided the sale is approved in writing by each of the existing shareholders and the purchaser or purchasers are existing shareholders, or (iv), in a case where after the proposed issuance there will be only one owner of the stock of the issuer, any legal consideration.

(4) No promotional consideration has been given, paid, or incurred in connection with such issuance. Promotional consideration means any consideration paid directly or indirectly to a person who, acting alone or in conjunction with one or more other persons, takes the initiative in founding and organizing the business or enterprise of an issuer, for services rendered in connection with such founding or organizing.

(5) A notice in a form prescribed by rule of the commissioner, signed by an active member of the State Bar of California, shall be filed with or mailed for filing to the commissioner not later than 10 business days after receipt of consideration for the securities by the issuer, which notice shall contain an opinion of such member of the

State Bar of California that the exemption provided by this subdivision is available for the offer and sale of the securities; provided, however, that the failure to file the notice as required by this subdivision and the rules of the commissioner shall not affect the availability of this exemption. An issuer who fails to file the notice within the time specified by this subdivision shall, within 15 business days after demand by the commissioner, file the notice and pay to the commissioner a fee equal to the fee payable had the transaction been qualified under Section 25110. The notice, except when filed on behalf of a California corporation, shall be accompanied by an irrevocable consent, in such form as the commissioner by rule prescribes, appointing the commissioner or his successor in office to be the issuer's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against it or its successor which arises under this law or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the issuer. An issuer on whose behalf a consent has been filed in connection with a previous qualification or exemption from qualification under this law (or application for a permit under any prior law if the application or notice under this law states that such consent is still effective) need not file another. Service may be made by leaving a copy of the process in the office of the commissioner but it is not effective unless (1) the plaintiff, who may be the commissioner in a suit, action or proceeding instituted by him, forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at its last address on file with the commissioner, and (2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

For the purposes of this subdivision, all securities held by a husband and wife, whether or not jointly, shall be considered to be owned by one person, and all securities held by a corporation which has issued stock pursuant to this exemption shall be considered to be held by the shareholders to whom it has issued such stock.

(i) Any offer or sale (1) to a bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, a self-employed individual retirement plan, or individual retirement account), or such other institutional investor or governmental agency or instrumentality as the commissioner may designate by rule, whether the purchaser is acting for itself or as trustee, or (2) to any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly owned subsidiary of such a corporation which after the offer and sale will own directly or indirectly 100 percent of the outstanding capital stock of the issuer; provided the purchaser represents that it is purchasing for its own account (or for such trust

account) for investment and not with a view to or for sale in connection with any distribution of the security.

(j) Any offer or sale of any certificate of interest or participation in an oil or gas title or lease (including subsurface gas storage and payments out of production) if (1) all of the purchasers: (i) are and have been during the preceding two years engaged primarily in the business of drilling for, producing, or refining oil or gas (or whose corporate predecessor, in the case of a corporation, has been so engaged), or (ii) are persons described in clause (1) of subdivision (i) of this section, or (iii) have been found by the commissioner upon written application to be substantially engaged in the business of drilling for, producing or refining oil or gas so as not to require the protection provided by this law (which finding shall be effective until rescinded), or (2) such security is concurrently hypothecated to a bank in the ordinary course of business to secure a loan made by such bank; provided each purchaser represents that it is purchasing for its own account for investment and not with a view to or for sale in connection with any distribution of the security.

(k) Any offer or sale of any security under, or pursuant to, a plan of reorganization under Chapter 11 of the federal bankruptcy law which has been confirmed or is subject to confirmation by the decree or order of a court of competent jurisdiction.

(*l*) Any offer or sale of an option, warrant, put, call, or straddle, and any guarantee of any of these securities, by a person who is not the issuer of the security subject to such right, if the transaction, had it involved an offer or sale of the security subject to such right by such person, would not have violated Section 25110 or 25130.

(m) Any offer or sale of a stock to a pension, profit-sharing, stock bonus or employee stock ownership plan provided that (1) the plan meets the requirements for qualification under Section 401 of the Internal Revenue Code, and (2) the employees are not required or permitted individually to make any contributions to the plan. The exemption provided by this subdivision shall not be affected by whether the stock is contributed to the plan, purchased from the issuer with contributions by the issuer or an affiliate of the issuer, or purchased from the issuer with funds borrowed from the issuer, an affiliate of the issuer or any other lender.

SEC. 2. Section 25104 of the Corporations Code is amended to read:

25104. The following transactions are exempted from the provisions of Section 25130:

(a) Any offer or sale of a security by the bona fide owner thereof for his or her own account if the sale (1) is not accompanied by the publication of any advertisement and (2) is not effected by or through a broker-dealer in a public offering.

(b) Any offer or sale effected by or through a licensed broker-dealer pursuant to an unsolicited order or offer to buy. For the purpose of this subdivision, an inquiry regarding a written bid for a security or a written solicitation of an offer to sell a security made

by another broker-dealer within the previous 60 days shall not be considered the solicitation of an order or offer to buy.

(c) Any offer or sale to a bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, a self-employed individual retirement plan, or individual retirement account), or such other institutional investor or governmental agency or instrumentality as the commissioner may designate by rule, whether the purchaser is acting for itself or as trustee; provided the purchaser represents that it is purchasing for its own account (or for the trust account) for investment and not with a view to or for sale in connection with any distribution of the security.

(d) Any transaction or agreement between a person on whose behalf an offering is made and an underwriter or among underwriters, if the sale of the securities is exempt from qualification at the time of or qualified prior to distribution in this state, if any.

(e) Any offer or sale of any security by or for the account of a bona fide secured party selling the security in the ordinary course of business to liquidate a bona fide debt.

(f) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator.

(g) Any offer (but not a sale) of a security for which a registration statement has been filed under the Securities Act of 1933 but has not yet become effective, or for which an offering statement under Regulation A has been filed but has not yet been qualified, if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under Section 8 of that act and no order under Section 25140 or subdivision (a) of Section 25143 is in effect under this division.

(h) Any offer or sale of a security if a qualification under Chapter 2 (commencing with Section 25110) of this part for any securities of the same class has become effective within 18 months, or longer period as the commissioner may order provided that each consecutive order shall be for no more than six months, prior to the offer or sale or if a qualification under Chapter 3 (commencing with Section 25120) or Chapter 4 (commencing with Section 25130) of this part for any securities of the same class has become effective within 12 months prior to that offer or sale, provided no order under Section 25140 or subdivision (a) of Section 25143 is in effect under this division with respect to the qualification, and, provided further, that this exemption does not apply to securities offered pursuant to a registration under the Securities Act of 1933 or pursuant to an exemption under Regulation A under that act if the aggregate offering price of the securities offered under such exemption exceeds fifty thousand dollars ($50,000). The commissioner may, by rule or order, withhold this exemption with respect to securities qualified only pursuant to a limited offering qualification.

SEC. 3. Section 25113 of the Corporations Code is amended to read:

25113. (a) All securities, whether or not eligible for qualification by coordination under Section 25111 or qualification by notification under Section 25112, may be qualified by permit under this section.

(b) (1) An application for a permit under this section shall contain any information and be accompanied by any documents as shall be required by rule of the commissioner, in addition to the information specified in Section 25160 and the consent to service of process required by Section 25165. For this purpose, the commissioner may classify issuers and types of securities.

(2) An applicant may file a small company application for permit under this section if it meets all of the following conditions:

(A) The applicant is: (i) a California corporation or a foreign corporation, which at the time of filing an application under this subdivision is subject to Section 2115 of the Corporations Code irrespective of the notice filing requirement under Section 2108, and neither corporation is a "blind pool" company, as that term is defined by the commissioner; (ii) not engaged in oil and gas exploration or production, or mining or other extractive industries; (iii) not an investment company subject to the Investment Company Act of 1940; and (iv) not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934.

(B) The total offering of voting common stock by the applicant to be sold in a 12-month period, within or outside this state, is limited to one million dollars ($1,000,000), less the aggregate offering price for all securities sold (within the 12 months before the start, and during the offering, of the voting common stock) under Rule 504 of the Securities and Exchange Commission, in reliance on any exemption under subdivision (b) of Section 3 of the Securities Act of 1933, or in violation of subdivision (a) of Section 5 of that act, and immediately after the proposed sale and issuance there will be only one class of voting common stock.

(C) The minimum offering price of the voting common stock to be sold is five dollars ($5) per share and the applicant files an undertaking with the commissioner that there will be no stock splits, stock dividends, spinoffs, or mergers for a period of two years from the close of the offering. The undertaking notwithstanding, the commissioner may approve a spinoff or merger pursuant to an application for qualification filed by an applicant.

(D) The net proceeds from the offering are to be expended in the operations of the business.

(E) The offering is made pursuant to a Small Corporate Offering Registration disclosure document based on the Form U-7 as adopted by the North American Securities Administrators Association and such additional requirements as the commissioner shall prescribe, which may include, but not be limited to, investor suitability and due diligence investigation requirements.

(F) The application and disclosure document is reviewed and

signed by each member of the board of directors of the applicant.

(G) The application shall contain that information and be accompanied by those documents required by rule of the commissioner, in addition to the information specified in Section 25610 and the consent to service of process required by Section 25165.

(c) Qualification of securities under this section becomes effective upon the commissioner issuing a permit authorizing the issuance of those securities.

SEC. 4. Section 25608 of the Corporations Code is amended to read:

25608. (a) The commissioner shall charge and collect the fees fixed in this section. All fees charged and collected under this section shall be transmitted to the Treasurer at least weekly, accompanied by a detailed statement thereof and shall be credited to the State Corporations Fund.

(b) The fee for filing an application for a negotiating permit under subdivision (c) of Section 25102 is fifty dollars ($50).

(c) The fee for filing a notice pursuant to paragraph (5) of subdivision (h) of Section 25102, the fee for filing a notice pursuant to paragraph (4) of subdivision (f) of Section 25102, and the fee for filing a notice pursuant to paragraph (6) of subdivision (h) of Section 25103, in addition to the fee prescribed in those paragraphs, if applicable, shall be determined based on the value of the securities proposed to be sold in the transaction for which the notice is filed and in accordance with subdivision (g), and shall be as follows:

Value of Securities Proposed to be Sold	Filing Fee
$25,000 or less	$ 25
$25,001 to $100,000	$ 35
$100,001 to $500,000	$ 50
$500,001 to $1,000,000	$150
Over $1,000,000	$300

(d) The fee for filing an application for designation of an issuer pursuant to subdivision (k) of Section 25100 is fifty dollars ($50).

(e) The fee for filing an application for qualification of the sale of securities by notification under Section 25112 or by permit under paragraph (1) of subdivision (b) of Section 25113 (except applications for qualification by permit of the sale of any guarantee of any security, the fees for which applications are fixed in subdivision (k)) is two hundred dollars ($200) plus one-fifth of 1 percent of the aggregate value of the securities sought to be sold in this state up to a maximum aggregate fee of two thousand five hundred dollars ($2,500).

The fee for filing a small company application for qualification of the sale of securities by permit under paragraph (2) of subdivision (b) of Section 25113 is two thousand five hundred dollars ($2,500). In the case where the costs of processing a small company application

exceed the filing fee, an additional fee shall be charged, not to exceed one thousand dollars ($1,000), over and above the filing fee based on the costs of the salary or other compensation paid to persons processing the application plus overhead costs reasonably incurred in the performance of the work. In determining the costs, the commissioner may use the estimated average hourly cost for all persons processing applications for the fiscal year.

(f) The fee for filing an application for qualification of the sale of securities by coordination under Section 25111 is two hundred dollars ($200) plus one-fifth of 1 percent of the aggregate value of the securities sought to be sold in this state up to a maximum aggregate fee of two thousand five hundred dollars ($2,500).

(g) For the purpose of determining the fees fixed in subdivisions (e) and (f):

(1) The value of the securities shall be the price at which the company proposes to sell the securities, or the value, as alleged in the application, or the actual value, as determined by the commissioner, of the consideration (if other than money) to be received in exchange therefor, or of the securities when sold, whichever is greater.

(2) Interim or voting trust certificates shall have a value equal to the aggregate value of the securities to be represented by the interim or voting trust certificates.

(3) The value of a warrant or right to purchase or subscribe to another security of the same or another issuer shall be an amount equal to the consideration to be paid for that warrant or right plus an amount equal to the consideration to be paid upon purchase of the additional securities, provided that if the latter amount is not determinable at the time of qualification, that amount shall be the then value of the additional securities as determined by the commissioner.

(4) In the case of a share dividend where the shareholders are given an option to accept either cash or additional shares of common stock, the value of the securities to be sold shall be the maximum amount of cash which would be payable in the event that all shareholders elected to accept cash.

(h) The fee for filing an application for qualification of the sale of securities by permit under Section 25121 is:

(1) Two hundred dollars ($200) in connection with any change (including any stock split or reverse stock split or stock dividend, except a stock dividend where the shareholders are given an option to accept either cash or additional shares of common stock) in the rights, preferences, privileges, or restrictions of or on outstanding securities.

(2) Two hundred dollars ($200) plus one-fifth of 1 percent of the value, as alleged in the application, or the actual value, as determined by the commissioner, of the consideration to be received in exchange therefor, up to a maximum aggregate fee of two thousand five hundred dollars ($2,500), in any exchange of securities by the issuer

with its existing security holders exclusively, or in any exchange in connection with any merger or consolidation or purchase of corporate assets in consideration of the issuance of securities.

(i) The fee for filing an application for qualification of the sale of securities by notification under Section 25131 shall be one hundred dollars ($100).

(j) The fee for an application for the removal of any condition under Section 25141 is fifty dollars ($50).

(k) The fee for filing any application for a permit to execute or issue any guarantee of any security is fifty dollars ($50).

(*l*) The fee for acting as escrow holder for securities under Section 25149 is fifty dollars ($50). In addition, a fee of two dollars and fifty cents ($2.50) shall be paid for the deposit with the commissioner of each new certificate or other document resulting from a transfer in escrow.

(m) The fee for filing an application for an order (1) consenting to the transfer in escrow of securities, (2) consenting to the transfer of securities subject to any condition imposed by the commissioner requiring the commissioner's consent to the transfer, or (3) consenting to the transfer of securities subject to a legend stamped or printed on the certificates evidencing the securities pursuant to subdivision (h) of Section 25102, is twenty dollars ($20) for each transferor.

(n) The filing fee for an amendment to an application filed after the effective date of the qualification of the sale of securities is fifty dollars ($50) plus any additional fee which would have been required to be paid with the original application for qualification of the sale of securities under this section if the matters set forth in the amendment had been included in the original application.

(o) (1) The fee for filing an application for a broker-dealer certificate under Section 25211 is three hundred dollars ($300).

(2) Each broker-dealer shall pay to the commissioner its pro rata share of all costs and expenses, reasonably incurred in the administration of the broker-dealer program under this division, as estimated by the commissioner for the ensuing year and any deficit actually incurred or anticipated in the administration of the program in the year in which the assessment is made. The pro rata share shall be the proportion which the broker-dealer and the number of its agents in this state bears to the aggregate number of broker-dealers and agents in this state as shown by records maintained by or on behalf of the commissioner. The pro rata share may include the costs of any examinations, audit, or investigation provided for in subdivision (r).

(3) On or before the 30th day of May in each year, the commissioner shall notify each broker-dealer by mail of the amount assessed and levied against it and that amount shall be paid within 20 days thereafter. If payment is not made within 20 days, the commissioner shall assess and collect a penalty in addition to the assessment, of 1 percent of the assessment for each month or part of

a month that the payment is delayed or withheld.

(4) In the levying and collection of the assessment, a broker-dealer shall not be assessed for, nor be permitted to pay, less than seventy-five dollars ($75) per year.

(5) In determining the amount assessed, the commissioner shall consider all appropriations from the State Corporations Fund for the support of the broker-dealer program under this division and all reimbursements applicable to the administration of the broker-dealer program under this division.

(6) If a broker-dealer fails to pay the assessment on or before the 30th day of June following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to the broker-dealer. If, after that order is made, a request for hearing is filed in writing and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when its certificate is revoked or suspended, a broker-dealer shall not conduct business pursuant to this division except as may be permitted by order of the commissioner; provided, however, that the revocation, suspension, or surrender of a certificate shall not affect the powers of the commissioner as provided under this division.

(p) The commissioner shall charge a fee of twenty-five dollars ($25) for the filing of a notice or report required by rule adopted pursuant to subdivision (b) of Section 25210.

(q) The fee for filing an application for an investment adviser under Section 25231 is one hundred twenty-five dollars ($125), and payment of this amount shall keep the certificate, if granted, in effect during the calendar year during which it is granted. Every investment adviser who has secured from the commissioner a certificate shall, in order to keep the certificate in effect for an additional period, pay a renewal fee of one hundred twenty-five dollars ($125) on or before the 15th day of December preceding the additional period.

(r) The fee for any examination, audit, or investigation is the amount of the salary or other compensation paid to the persons making the examination, audit, or investigation plus the amount of expenses including overhead reasonably incurred in the performance of the work. In determining the costs associated with an examination, audit, or investigation, the commissioner may use the estimated average hourly cost for all persons performing examinations, audits, or investigations for the fiscal year.

(s) The fee for any hearing held by the commissioner pursuant to Section 25142 shall be the sum determined by the commissioner to cover the actual expense of noticing and holding the hearing.

(t) The commissioner may fix by rule a reasonable charge for any publications issued under his or her authority. The charges shall not apply to reports of the commissioner in the ordinary course of distribution.

(u) The fee for filing an offer under subdivision (b) of Section

25507 shall be the amount of filing fee payable under subdivision (e), (f), (h), or (i) of this section if an application had been filed to qualify the transaction in which the securities upon which the offer is to be made were sold in violation of the qualification provisions of this law.

(v) The fee for filing an application for exemption pursuant to subdivision (*l*) of Section 25100 is two hundred fifty dollars ($250).

(w) The commissioner may by rule require payment of a fee for filing a notice or report required by a rule adopted pursuant to Section 25105. The fee required in connection with a transaction as defined by that rule shall not exceed the fees specified in subdivision (c) based on the value of the securities sold, but the commissioner may permit a single notice for more than one transaction.

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 facilitate the ability of small companies to raise capital in the current economic climate, it is necessary that this act take effect immediately.

CHAPTER 194

An act to amend Section 13150 of the Public Resources Code, and to amend Sections 8502.5, 8570, 8572, 8620, 8622, 8623, 8624, 8626, 8650, 8652, 8655, 8671, 8681, 8688, 8705, 8706, 8707, 8770, 8773, 8783, 8784, 8800, 8801, 8802, 8803, 8804, 8805, 8806, 8809, and 8850 of, and to repeal Part 1 (commencing with Section 4000) of Division 6 of, the Streets and Highways Code, relating to assessments.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 13150 of the Public Resources Code is amended to read:

13150. The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000)) of the Streets and Highways Code, the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) of the Streets and Highways Code, and the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) of the Streets and Highways Code, as those acts read on January 1, 1994, or as thereafter amended, are applicable to the district.

SEC. 1.5. Part 1 (commencing with Section 4000) of Division 6 of the Streets and Highways Code is repealed.

SEC. 2. Section 8502.5 of the Streets and Highways Code is amended to read:

8502.5. "Assessed" and "assessment" mean assessments made pursuant to subdivisions (d) and (e) of Section 10204, or other law pursuant to which the assessment was levied, as corrected and modified by the legislative body. "Assessed" and "assessment" do not include assessments to pay administrative costs made pursuant to subdivision (f) of Section 10204.

SEC. 3. Section 8570 of the Streets and Highways Code is amended to read:

8570. The legislative body of any city may determine that serial bonds, term bonds, or both, shall be issued as provided in this division to represent and be secured by assessments to pay the cost of any work or improvement in any of the streets, avenues, lanes, alleys, courts, places, or public ways of the city, or in, over, or through any property or rights-of-way owned by the city authorized by the Improvement Act of 1911 (Division 7 (commencing with Section 5000)), or by the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000)), or to pay the cost of any other work or improvement charged and assessed upon real property pursuant to any other law. The legislative body may not issue bonds secured by assessments levied pursuant to subdivision (b) of Section 10312 to pay administrative costs.

SEC. 4. Section 8572 of the Streets and Highways Code is amended to read:

8572. A similar description of the bonds shall be inserted in the assessment issued by the street superintendent to the contractor under the Improvement Act of 1911, or in the assessment prepared by the street superintendent and in the notice of recording the assessment if the work is done under the Municipal Improvement Act of 1913 or other law.

SEC. 5. Section 8620 of the Streets and Highways Code is amended to read:

8620. After confirmation of the assessment by the legislative body and after the filing of the statement of payments received upon the assessment by the contractor if the assessment was levied under the Improvement Act of 1911, or after 30 days from the date of recording the assessment in the office of the superintendent of streets or district engineer, if the assessment was levied under the Municipal Improvement Act of 1913 or other law, the street superintendent shall make and file with the treasurer a complete list of all unpaid assessments, upon the assessment.

SEC. 6. Section 8622 of the Streets and Highways Code is amended to read:

8622. The treasurer, if the assessment was levied under the Improvement Act of 1911, or the legislative body, if the assessment was levied under the Municipal Improvement Act of 1913 or other law, shall prescribe the denominations of the bonds, which shall be in convenient amounts, not necessarily equal, and shall provide for their issuance.

SEC. 7. Section 8623 of the Streets and Highways Code is

amended to read:

8623. The bonds shall be immediately delivered to the contractor or its assigns in satisfaction of the balance due upon the assessment and warrant if the assessment was levied under the Improvement Act of 1911, or, if the assessment was levied under the Municipal Improvement Act of 1913 or other law, the bonds shall be sold in the manner determined by the legislative body.

SEC. 8. Section 8624 of the Streets and Highways Code is amended to read:

8624. The estimated cost of incidental expenses, as defined in the law under which the assessment was levied, shall be included in the assessment.

SEC. 9. Section 8626 of the Streets and Highways Code is amended to read:

8626. If the assessment was levied under the Municipal Improvement Act of 1913 or other law, the proceeds of the sale of the bonds shall be paid into the fund of the proceeding to represent the assessments for which the bonds were issued. If the bonds are sold for an amount in excess of par, the excess shall be paid into the fund specified in Section 10424 or other special fund specified in the law pursuant to which the assessment was levied to finance the acquisitions or improvements.

SEC. 10. Section 8650 of the Streets and Highways Code is amended to read:

8650. (a) Except as provided otherwise by the legislative body pursuant to Section 8650.1, the bonds shall be issued in series and an even annual proportion of the aggregate principal sum thereof shall be payable on the second day of September every year succeeding the first 12 months after their date, until the whole is paid. The bonds shall bear interest at a rate not in excess of the maximum rate permitted by law from the 31st day after recording the assessment if the assessment was levied under the Improvement Act of 1911, or from their date if the assessment was levied under the Municipal Improvement Act of 1913 or other law, on all sums unpaid, until the whole of the principal sum and interest are paid.

(b) Interest shall be payable semiannually on the second day of March and September, respectively, of each year. The first payment of interest shall become due on the interest payment date which is six months before the maturity of the first series of bonds, but, if any portion of the interest is funded, the legislative body may specify that the first payment of interest shall become due on any earlier interest payment date following the date of the bonds. Interest shall be payable to the registered holders of the bonds as their names and addresses appeared on the records of the issuing agency or its registration agent on the 15th day of the calendar month preceding the interest payment date.

SEC. 11. Section 8652 of the Streets and Highways Code is amended to read:

8652. The bonds shall be substantially in the following form:

United States of America
State of California
County of _____

REGISTERED
Number

REGISTERED
$

IMPROVEMENT BOND
City (or County) of (naming it)

SERIES NO. _____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NUMBER
		_____, 19__	

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code (the "Act"), the City (or County) of _____, County of _____, State of California, (the "City" or "County") will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work, and improvements more fully described in proceedings taken pursuant to Resolution of Intention No. _____, adopted by the (legislative body) of the City (or County) of _____ on the _____ day of _____, 19__, (as later amended), pay to _____ or registered assigns, on the maturity date stated above, the principal sum of _____, in lawful money of the United States of America and in like manner will pay interest from the interest payment date next preceding the date on which this bond is authenticated, unless this bond is authenticated and registered as of an interest payment date, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated and registered prior to _____, 19__, (first interest payment date) in which event it shall bear interest from its date, until payment of such principal sum shall have been discharged, at the rate per annum stated above, payable semiannually on March 2 and September 2 in each year commencing on _____, 19____. Both the principal hereof and redemption premium hereon are payable at _____ as Transfer Agent, Registrar, and Paying Agent, in _____, California, and the interest hereon is payable by check or draft mailed to the owner hereof at the owner's address as it appears on the records of the _____ (issuing agency or registration agent) or at an address that has been filed with the _____ (issuing agency or registration agent) for that purpose, as of the 15th day of the calendar month immediately preceding each interest payment date.

This bond will continue to bear interest after maturity at the rate above stated; provided, it is presented at maturity and payment

thereof is refused upon the sole ground that there are not sufficient moneys in said redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This bond shall not be entitled to any benefit under the Act or the Resolution Authorizing Issuance of Bonds (the "Resolution of Issuance"), or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the _____ (issuing agency or registration agent).

IN WITNESS WHEREOF, the City (or County) of _____ has caused this bond to be signed in facsimile by the Treasurer of the City (or County) and by its Clerk, and has caused its corporate seal to be reproduced in facsimile hereon all as of the _____ day of _____, 19__.

CITY (OR COUNTY) OF _____

_____ _____

Clerk Treasurer

[SEAL]

Certificate of Authentication and Registration

This is one of the bonds described in the within mentioned Resolution of Issuance, which has been authenticated and registered on

By _____

ADDITIONAL PROVISIONS OF THE BOND

This bond is one of several annual series of bonds of like date, tenor, and effect, but differing in amounts, maturities, and interest rates, issued by the City (or County) of _____ under the Act and the Resolution of Issuance, for the purpose of providing means for paying for the improvements described in the proceedings, and is secured by the moneys in the redemption fund and by the unpaid portion of assessments made for the payment of those improvements, and, including principal and interest, is payable exclusively out of the redemption fund.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of _____ (issuing agency or its registration agent), subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon transfer, a new registered bond or

bonds, of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership, or a trust.

Neither the issuing agency nor the registration agent shall be required to exchange or to register the transfer of bonds during the 15 days immediately preceding any interest payment date.

The issuing agency and the registration agent may treat the owner hereof as the absolute owner for all purposes, and the issuing agency and the registration agent shall not be affected by any notice to the contrary.

This bond or any portion of it in the amount of five thousand dollars ($5,000), or any integral multiple thereof, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered or certified mail or by personal service to the registered owner hereof at the owner's address as it appears on the registration books of the _____ (issuing agency or registration agent) by paying principal and accrued interest together with a premium equal to _____ percentum of the principal.

This bond is not subject to refunding pursuant to the procedures of Division 11 (commencing with Section 9000) or Division 11.5 (commencing with Section 9500) of the Streets and Highways Code prior to _____, _____. (If applicable).

I hereby certify that the following is a correct copy of the signed legal opinion of _____

City (or County) Clerk

SEC. 12. Section 8655 of the Streets and Highways Code is amended to read:

8655. The bonds, by their issuance, shall be conclusive evidence of the regularity of all proceedings had prior thereto under this division and under the law pursuant to which the assessment was levied.

SEC. 13. Section 8671 of the Streets and Highways Code is amended to read:

8671. The treasurer or designated paying agent shall keep a redemption fund designated by the name of the bonds, in which there shall be placed all sums received from the collection of the assessments made. The fund shall be considered a trust fund for the benefit of the bondholders. The redemption fund shall be used for paying principal and interest and redemption premium, if any, payments on the bonds directly, or money in the fund may be forwarded to the paying agent for these purposes. Under no circumstances shall the bonds or the interest thereon be paid out of any other fund.

SEC. 14. Section 8681 of the Streets and Highways Code is

amended to read:

8681. Interest on all unpaid assessments shall begin to run from the date of filing of the contractor's statement, or as otherwise provided in the law pursuant to which the assessment was levied, or from the date of the bonds if the assessment was levied under the Municipal Improvement Act of 1913 or other law, and shall be computed at the rate specified in the bonds secured by the assessments. For each year interest shall be computed and collected up to the next second day of September succeeding, no deduction being made by reason of any installment of the assessment being due or paid prior thereto in such year.

SEC. 15. Section 8688 of the Streets and Highways Code is amended to read:

8688. Any interested owner shall have the right to tender to the treasurer in payment or part payment of any installment of the assessment or interest or penalties thereon which may be due or payable, any bond secured thereby, the bond to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender. The treasurer shall thereupon cancel the bond and shall cause proper credit therefor to be entered on the records of the assessment, in the office of the auditor and tax collector.

SEC. 16. Section 8705 of the Streets and Highways Code is amended to read:

8705. If any assessment heretofore or hereafter issued is void or unenforceable, for any cause, or if bonds are issued to represent or be secured by any assessments and that issuance is not effective through the curative provisions in relation thereto under the law pursuant to which the assessment was levied or under this division to make them valid and enforceable, then a reassessment may be made. The reassessment shall be made upon the demand of the owner or holder of bonds aggregating one-third of the principal amount outstanding, or upon order of the legislative body, and shall be made in the manner and form provided by the law pursuant to which the assessment was levied, without regard to whether the acquisition or improvement has been done or is proposed to be done, if any valid procedure is provided, and otherwise as provided by Chapter 19 (commencing with Section 5500) of Part 3 of Division 7.

SEC. 17. Section 8706 of the Streets and Highways Code is amended to read:

8706. When made, the reassessment shall constitute a trust fund for the redemption and payment of the original bonds issued against the original assessment; or the legislative body may call in the original issue of bonds outstanding and issue new bonds upon the security of the reassessment in lieu thereof. If the legislative body determines that new bonds shall be issued upon the security of the reassessment, the notice of hearing upon the reassessment shall contain a declaration of intention to issue bonds substantially in the form provided for in Section 8573. Upon confirmation of the reassessment the legislative body may issue the new bonds in the

manner that it determines.

SEC. 18. Section 8707 of the Streets and Highways Code is amended to read:

8707. If the legislative body calls in the original issue of outstanding bonds, it may direct the treasurer to, and the treasurer shall thereupon, advance the maturity of the outstanding bonds bearing interest in the manner provided in Part 11 (commencing with Section 8750), notwithstanding the fact that there may not be surplus moneys in the redemption fund with which to pay the same. New bonds shall be issued in an aggregate amount equal to the total balance of the reassessment unpaid and shall bear interest from their date at the rate fixed by the legislative body.

SEC. 19. Section 8770 of the Streets and Highways Code is amended to read:

8770. If it appears to the treasurer that there is danger of an ultimate loss accruing to the bondholders for any reason, he or she shall withhold payment on all matured bonds and interest and report the facts to the legislative body so that proper action may be taken by that body to equitably protect all bondholders.

SEC. 20. Section 8773 of the Streets and Highways Code is amended to read:

8773. In order to facilitate the making of proportionate payments, the holders of outstanding bonds shall surrender them to the treasurer for registration and cancellation. Upon cancellation each holder shall be credited with the amount of his bond so canceled. Thereupon the treasurer shall by warrant pay to each holder the proportionate amount of principal and accrued interest due on his or her bonds as may be available from time to time out of the money in the redemption fund. Interest shall cease on payments made on account of principal from the date of payment, but interest shall continue to run on the unpaid principal at the rate specified in the bonds until payment thereof be made. No premiums shall be paid on payments made in advance of the due date. If bonds are not surrendered for registration and payment the treasurer shall give notice to the holder thereof by registered mail, at the holder's address as last known to the treasurer, of the amount available for payment. Thereupon interest shall cease as to the amount so available for payment 10 days from the date of mailing of the notice.

SEC. 21. Section 8783 of the Streets and Highways Code is amended to read:

8783. All money collected on the supplemental assessment shall be paid into the redemption fund and be applied to the payment of the costs of publishing and posting the notice of hearing and of making the supplemental assessment and then to the payment of the bonds and interest thereon. After satisfaction of the bonds, repayment, if possible, of all funds collected on the supplemental assessment shall be made to those persons paying the same out of recoveries had through the collection of the delinquent installments of the assessments upon which the bonds were originally issued and

of the interest and penalties thereon, and then out of any surplus remaining in the redemption fund after repayment to the city of any special taxes levied by it for the purpose of advancing funds under Part 13 (commencing with Section 8800) less its recovery on the sale or redemption of the properties assessed and any costs incurred by it under this division.

SEC. 22. Section 8784 of the Streets and Highways Code is amended to read:

8784. If there is a surplus remaining in the redemption fund after payment of all bonds and the interest thereon, that surplus shall first be applied to repayment to the city of any special taxes levied by it for the purpose of advancing funds under Part 13 (commencing with Section 8800) less its recovery on the sale or redemption of the properties assessed, and also of any costs incurred by it under this division. The remainder shall be repaid in accordance with the provisions of Section 8783 to persons paying supplemental assessments, if any, and the balance may be proportionately credited upon the final installments due upon the assessments securing the bonds and repaid to those persons whose assessments have been previously paid or may be transferred to the general fund of the city

SEC. 23. Section 8800 of the Streets and Highways Code is amended to read:

8800. Upon default in the payment of any installment of principal or interest on any assessment or reassessment, the lands securing those installments and assessments shall become tax-defaulted in the same manner in which real property in the city becomes tax-defaulted for the nonpayment of general city taxes, and shall be subject to redemption in the same manner and to the same extent that real property in the city which has become tax-defaulted for the nonpayment of general city taxes may be redeemed.

SEC. 24. Section 8801 of the Streets and Highways Code is amended to read:

8801. If any lot or parcel of land becomes tax-defaulted property for nonpayment of taxes and of any installment of the assessment thereon, or of the penalties, interest, or costs on the same, or for the nonpayment of any installment of the assessment or of the penalties, interest, or costs on the same, the declaration of default pursuant to Section 3436 of the Revenue and Taxation Code and the deed issued pursuant to Section 3708 of that code, are primary evidence of the regularity of all proceedings had prior thereto, and shall be conclusive evidence of all things of which bonds issued upon the security thereof are conclusive evidence, and prima facie evidence of the regularity of all proceedings subsequent to the issuance of the bonds, and the deed conveys to the grantee the absolute title to the lands described therein, free of all incumbrances, except the lien for other state, county, and city taxes, unpaid installments, interest, and penalties under the same proceeding, and unpaid installments, interest, and penalties, the lien of which is subordinate thereto, and except all public improvement assessments which may have priority

thereover.

SEC. 25. Section 8802 of the Streets and Highways Code is amended to read:

8802. The city may pay and transfer into the redemption fund the amount of the delinquent assessment and of the delinquent interest for which the property has become tax-defaulted.

SEC. 26. Section 8803 of the Streets and Highways Code is amended to read:

8803. If a county or a city whose taxes are collected by the county is conducting the proceedings and the county or city has advanced available funds either in performance of its obligations in proceedings wherein the assessment was levied prior to September 17, 1986, or under subdivision (a) of Section 8769, or voluntarily under subdivision (b) of Section 8769, the tax collector shall account to the county or the city for any moneys received upon redemption or from the sale of the property. In that case, for the purposes of this division, the county or the city shall be entitled to reimbursement of any amounts so advanced from any moneys so received.

SEC. 27. Section 8804 of the Streets and Highways Code is amended to read:

8804. If there are no available funds in the treasury with which to make payment of the amount of the delinquent assessment and interest for which the property was declared to be in default, the tax collector shall make demand upon the legislative body that a suitable amount be included in the next tax levy for the purpose of providing funds with which to make the payment. However, the period of redemption from the declaration of default shall not be extended thereby nor shall the rights or privileges of the property owner be affected.

This section applies only to bonds representing unpaid assessments, which assessments were confirmed before June 6, 1978.

SEC. 28. Section 8805 of the Streets and Highways Code is amended to read:

8805. If the city has made advances as provided in Section 8803 with respect to any installment and any succeeding installment of the assessment or of the interest on the assessment is not paid in any future year, the property shall not be declared in default unless there has previously been a redemption from such declaration or unless under the law the property is then being declared in default for delinquent taxes.

SEC. 29. Section 8806 of the Streets and Highways Code is amended to read:

8806. Notwithstanding Section 8805, if a city has advanced available funds either in performance of its obligations in proceedings wherein the assessment was levied prior to September 17, 1986, or under subdivision (a) of Section 8769, the city shall, from time to time when due, pay and transfer into the redemption fund the amount of any future delinquent installments of the assessment and interest thereon pending redemption, and no redemption shall

be made until any subsequent payments, with interest and penalties, are paid.

SEC. 30. Section 8809 of the Streets and Highways Code is amended to read:

8809. The legislative body, shall, at the time of fixing the annual tax rate and levying the taxes to be collected for general city purposes, levy a special tax upon the taxable property in the city for the purpose of making advances under this part, and also for the purpose of paying installments of the assessment or of the interest thereon, which the city is required to pay under Section 8806, but not to exceed for each local improvement ten cents ($0.10) on each one hundred dollars ($100) of assessable property in any one year. The special tax shall be in addition to all other taxes levied for city purposes, and shall be computed, entered and collected in the same manner, and by the same persons and at the same time and with the same penalties and interest as are other taxes of the city.

This section applies only to bonds representing unpaid assessments, which assessments were confirmed before June 6, 1978.

SEC. 31. Section 8850 of the Streets and Highways Code is amended to read:

8850. No bond, assessment, or installment thereof or of the interest or penalties thereon, or declaration of default or deed shall be held invalid for any error in the computation of the proper amount due on the same, if the error is found to be comparatively negligible, or is found to be in favor of the owner of the real property affected thereby.

CHAPTER 195

An act relating to the Department of Corrections.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. The Department of Corrections shall submit a written report to the Legislature on or before March 25, 1994, on the department's efforts to accommodate any special religious dietary needs of prison inmates.

CHAPTER 196

An act to amend Section 845 of the Civil Code, relating to real property.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 845 of the Civil Code is amended to read:

845. (a) The owner of any easement in the nature of a private right-of-way, or of any land to which any such easement is attached, shall maintain it in repair.

(b) If the easement is owned by more than one person, or is attached to parcels of land under different ownership, the cost of maintaining it in repair shall be shared by each owner of the easement or the owners of the parcels of land, as the case may be, pursuant to the terms of any agreement entered into by the parties for that purpose. If any owner who is a party to the agreement refuses to perform or fails after demand in writing to pay the owner's proportion of the cost, an action for specific performance or contribution may be brought against that owner in a court of competent jurisdiction by the other owners, either jointly or severally.

(c) In the absence of an agreement, the cost shall be shared proportionately to the use made of the easement by each owner.

Any owner of the easement, or any owner of land to which the easement is attached, may apply to any court where the right-of-way is located and that has jurisdiction over the amount in controversy for the appointment of an impartial arbitrator to apportion the cost. The application may be made before, during, or after performance of the maintenance work. If the arbitration award is not accepted by all of the owners, the court may enter a judgment determining the proportionate liability of each owner. The judgment may be enforced as a money judgment by any party against any other party to the action.

(d) In the event that snow removal is not required under subdivision (a) or under any independent contractual or statutory duty, an agreement entered into pursuant to subdivision (b) to maintain the easement in repair shall be construed to include snow removal within the maintenance obligations of the agreement if all of the following exist:

(1) Snow removal is not expressly precluded by the terms of the agreement.

(2) Snow removal is necessary to provide access to the properties served by the easement.

(3) Snow removal is approved in advance by the property owners or their elected representatives in the same manner as provided by

the agreement for repairs to the easement.

(e) The provisions of this section do not apply to rights-of-way held or used by railroad common carriers subject to the jurisdiction of the Public Utilities Commission.

CHAPTER 197

An act to amend Sections 2621, 2621.5, 2621.7, 2621.8, 2621.9, and 2622 of, and to amend the heading of Chapter 7.5 (commencing with Section 2621) of Division 2 of, the Public Resources Code, relating to seismic safety.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. The heading of Chapter 7.5 (commencing with Section 2621) of Division 2 of the Public Resources Code is amended to read:

CHAPTER 7.5. EARTHQUAKE FAULT ZONING

SEC. 2. Section 2621 of the Public Resources Code is amended to read:

2621. This chapter shall be known, and may be cited, as the Alquist-Priolo Earthquake Fault Zoning Act.

SEC. 3. Section 2621.5 of the Public Resources Code is amended to read:

2621.5. (a) It is the purpose of this chapter to provide for the adoption and administration of zoning laws, ordinances, rules, and regulations by cities and counties in implementation of the general plan that is in effect in any city or county. The Legislature declares that this chapter is intended to provide policies and criteria to assist cities, counties, and state agencies in the exercise of their responsibility to prohibit the location of developments and structures for human occupancy across the trace of active faults as defined by the board.

(b) This chapter is applicable to any project, as defined in Section 2621.6, upon issuance of the official earthquake fault zones maps to affected local jurisdictions, but does not apply to any development or structure that was in existence prior to May 4, 1975. The implementation of this chapter shall be pursuant to policies and criteria established and adopted by the board.

SEC. 4. Section 2621.7 of the Public Resources Code is amended to read:

2621.7. This chapter, except Section 2621.9, does not apply to the conversion of an existing apartment complex into a condominium.

This chapter does apply to projects which are located within a delineated earthquake fault zone.

SEC. 5. Section 2621.8 of the Public Resources Code is amended to read:

2621.8. (a) This chapter does not apply to alterations or additions to any structure within an earthquake fault zone, the value of which does not exceed 50 percent of the value of the structure.

(b) (1) The State Geologist may, pursuant to this section, grant an exemption from this chapter to any structure which is located within the jurisdiction of the City of Berkeley or the City of Oakland which was damaged by fire between October 20, 1991, and October 23, 1991. The city may apply to the State Geologist for an exemption and the exemption shall be granted only if a structure which is located within the earthquake fault zone is not situated upon a trace of an active fault line, as delineated in an official earthquake fault zone map, or more recent geologic data as determined by the State Geologist.

(2) When requesting an exemption pursuant to this subdivision, the city shall supply the State Geologist with all of the following:

(A) Maps noting the parcel numbers of proposed building sites that are at least 50 feet from an identified fault and a statement that there is no more recent information to suggest a geologic hazard.

(B) Identification of any sites within 50 feet of an identified fault.

(C) Proof that the property owner has been notified that an exemption does not guarantee that a geologic hazard does not exist.

(3) The granting of an exemption pursuant to this subdivision does not relieve a seller of real property or an agent for the seller of the obligation to disclose to a prospective purchaser that the property is located within a delineated earthquake fault zone, as required by Section 2621.9.

SEC. 6. Section 2621.9 of the Public Resources Code is amended to read:

2621.9. (a) A person who is acting as an agent for a seller of real property which is located within a delineated earthquake fault zone, or the seller if, the seller is acting without an agent, shall disclose to any prospective purchaser the fact that the property is located within a delineated earthquake fault zone, if the maps prepared pursuant to this chapter, or the information contained in the maps, are reasonably available.

(b) For the purposes of this section, in all transactions that are subject to Section 1102 of the Civil Code, disclosure shall be provided by one of the following means:

(1) The real estate transfer disclosure statement set out in Section 1102.6 of the Civil Code.

(2) The local option real estate transfer disclosure statement set out in subdivision (a) of Section 1102.6 of the Civil Code.

(3) The real estate contract and receipt for deposit.

(c) For the purposes of this section:

(1) "Reasonably available" means that, for any county that

includes areas covered by a delineated earthquake fault zone map, a notice has been posted at the offices of the county recorder, county assessor, and county planning commission that identifies the location of the map and the effective date of the notice, which shall not exceed 10 days beyond the date the county received the map from the State Geologist.

(2) "Real estate contract and receipt for deposit" means the document containing the offer to sell or purchase real property, that, when accepted, becomes a binding contract, and that serves as an acknowledgment of a deposit if one is received.

(d) For purposes of the disclosures required by this section, the following persons shall not be deemed agents of the transferor:

(1) Persons specified in Section 1102.11 of the Civil Code.

(2) Persons acting under a power of sale regulated by Section 2924 of the Civil Code.

(e) For purposes of this section, Section 1102.13 of the Civil Code shall apply.

SEC. 7. Section 2622 of the Public Resources Code is amended to read:

2622. (a) In order to assist cities and counties in their planning, zoning, and building-regulation functions, the State Geologist shall delineate, by December 31, 1973, appropriately wide earthquake fault zones to encompass all potentially and recently active traces of the San Andreas, Calaveras, Hayward, and San Jacinto Faults, and such other faults, or segments thereof, as the State Geologist determines to be sufficiently active and well-defined as to constitute a potential hazard to structures from surface faulting or fault creep. The earthquake fault zones shall ordinarily be one-quarter mile or less in width, except in circumstances which may require the State Geologist to designate a wider zone.

(b) Pursuant to this section, the State Geologist shall compile maps delineating the earthquake fault zones and shall submit those maps to all affected cities, counties, and state agencies, not later than December 31, 1973, for review and comment. Concerned jurisdictions and agencies shall submit all comments to the State Mining and Geology Board for review and consideration within 90 days. Within 90 days of that review, the State Geologist shall provide copies of the official maps to concerned state agencies and to each city or county having jurisdiction over lands lying within that zone.

(c) The State Geologist shall continually review new geologic and seismic data and shall revise the earthquake fault zones or delineate additional earthquake fault zones when warranted by new information. The State Geologist shall submit all revised maps and additional maps to all affected cities, counties, and state agencies for their review and comment. Concerned jurisdictions and agencies shall submit all comments to the State Mining and Geology Board for review and consideration within 90 days. Within 90 days of that review, the State Geologist shall provide copies of the revised and additional official maps to concerned state agencies and to each city

or county having jurisdiction over lands lying within the earthquake fault zone.

(d) In order to ensure that sellers of real property and their agents are adequately informed, any county that receives an official map pursuant to this section shall post a notice within five days of receipt of the map at the offices of the county recorder, county assessor, and county planning commission, identifying the location of the map and the effective date of the notice.

CHAPTER 198

An act to add Section 7073.1 to the Government Code, relating to enterprise zones.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 7073.1 is added to the Government Code, to read:

7073.1. In designating new enterprise zones, the department shall include in its criteria the fact that jurisdictions have been declared disaster areas by the President of the United States within the last seven years.

CHAPTER 199

An act to add Article 1.6 (commencing with Section 53225) to Chapter 2 of Division 2 of Title 5 of the Government Code, relating to local government.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Article 1.6 (commencing with Section 53225) is added to Chapter 2 of Division 2 of Title 5 of the Government Code, to read:

Article 1.6. Health Insurance Purchasing Alliance

53225. (a) The Health Insurance Purchasing Alliance Program is hereby authorized. The program shall be administered by the Board of Directors of the Health Insurance Purchasing Alliance Program pursuant to this article.

(b) The governing bodies of any two or more counties that maintain a county retirement system pursuant to Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3 may, after notifying and consulting with all other counties that maintain county retirement systems pursuant to that chapter, elect, by resolution, to form or to participate in, subject to the time limitations set forth in subdivision (c), the program and to appoint one county officer as a member of the board of directors. In any county maintaining a retirement system pursuant to Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3 in which the county board of retirement has elected, pursuant to Section 31691, 31691.1, or 31694.1, to make contributions for health benefits coverage of retirees and their dependents, the election shall be exercised jointly by the board of supervisors of the county and the county board of retirement. In any county of the first class, as defined by Section 20820, as amended by Chapter 1204 of the Statutes of 1971, and Section 20822, as amended by Chapter 43 of the Statutes of 1961, the resolution shall be initiated by the county board of retirement. The county board of supervisors shall contribute a reasonable amount of funds to pay its share of the initial startup costs and the administrative costs of the program.

(c) Once the board of directors has put into operation a health insurance contract year, any county maintaining a county retirement system pursuant to Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3, city, or district that desires to participate in the program may elect, by resolution, adopted at least one year prior to the commencement of the next insurance contract year, to participate in the program. Each city and district that elects to participate may appoint one of its officers as a member of the Advisory Committee to the board of directors. The governing body of the participating public agency shall contribute a reasonable amount of funds, as determined by the board of directors, to pay its share of the initial startup costs and the administrative costs of the program.

(d) Each county, city, or district that elects to participate in the program shall:

(1) Furnish to the alliance such employee information as the board of directors may determine to be necessary.

(2) Provide to its eligible employees and retirees and their dependents only the health insurance plans offered by the alliance.

(3) Make the selected health insurance plans offered by the alliance available to all their eligible employees and retirees and their eligible dependents.

(4) Carry out the purposes of the program and pay its share of the initial startup costs.

(5) Abide by the rules and regulations adopted by the board of directors and all applicable state and federal rules and regulations.

(e) The board of directors may, within 180 days of receipt of an application to participate, reject the application of any city or

district.

(f) A request to withdraw from the alliance shall be submitted in writing at least one year prior to the end of the health insurance contract year after which coverage is no longer desired.

(g) The board of directors may, after giving one year's advance written notice, terminate a participating public agency for cause pursuant to the rules and regulations.

53225.1. The board of directors shall:

(a) Negotiate and enter into contractual arrangements with health care insurance providers to provide health benefits coverage for the eligible employees and retirees of participating public agencies and their eligible dependents.

(b) Act upon the requests of counties, cities, and districts to participate in the program.

(c) Gather, compile, and furnish such information as may be needed by the health care insurance providers for premium computation purposes.

(d) Analyze federal and state laws and regulations to assure that the health benefits coverage plans being made available and the operations of the program comply with those statutes and regulations.

(e) Provide appropriate consumer information for use by the participating public agencies during the annual open enrollment periods.

(f) Monitor the utilization of the plans by the participating public agencies for cost effectiveness and potential fraud and abuse, and to assure that the needs of those agencies are being met.

(g) Adopt, after the expiration of a reasonable review and comment period, such rules and regulations as may be necessary to provide for the effective operation of the program, including defining of the eligibility of employees and retirees and their dependents to participate in the program.

(h) Employ such staff and consultants, either directly or by contract, as may be reasonably necessary to carry out the program.

(i) Make copies of its proposed budget available to the board of supervisors of all participating counties for review and comment prior to the adoption of the budget.

(j) Establish, in conjunction with the adoption of the annual budget, a schedule of fees and charges for the equitable distribution of the program operating expenses among the participating public agencies.

53225.2. The Advisory Committee shall provide the board advice and assistance in determining the health insurance coverage needs of the participating public agencies and in the adoption of rules and regulations.

CHAPTER 200

An act to amend Section 9561 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 9561 of the Vehicle Code is amended to read:

9561. (a) When a legal owner or his or her agent repossesses a vehicle on which renewal fees are due, the department shall waive any renewal penalties that are due for late payment if the fees are paid within 60 days of taking possession.

(b) Notwithstanding any other provisions of this code, when a repossessed vehicle is sold through a dealer conducting a wholesale vehicle auction as provided in subdivision (e) of Section 5901 and Article 5 (commencing with Section 6100) of Chapter 2 of Division 3, any penalties that may be due are waived, if all renewal fees that are due are paid not later than 60 days after the date of sale at the auction.

CHAPTER 201

An act to add Section 179.5 to, and to repeal Chapter 3 (commencing with Section 1290) of Division 6 of, the Military and Veterans Code, relating to military and veterans affairs.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. The Legislature finds and declares that the present accommodations within the State Capitol for the artifacts of the Grand Army of the Republic are inadequate and that the California National Guard Military Museum and Resource Center is a more suitable place for the care and public display of these artifacts in a manner and setting which illustrates the significance and historical context of California's role in the War Between the States.

SEC. 2. Section 179.5 is added to the Military and Veterans Code, to read:

179.5. (a) The Legislature acknowledges that certain artifacts of the Grand Army of the Republic that were at one time stored or displayed in the State Capitol were the personal property of certain members of the Civil War Roundtable. The Legislature

acknowledges that those artifacts have been donated to, and are now in the custody of, the California National Guard Military Museum and Resource Center, and are, thus, not the subject of this section.

(b) The Civil War memorabilia that are still located at the State Capitol and that are the subject of this section consist of the following:

(1) A display cabinet that once contained, among other things, artifacts of the Grand Army of the Republic that have since been donated by the Civil War Roundtable to the California National Guard Military Museum and Resource Center mentioned in subdivision (a).

(2) Certain flags of the Grand Army of the Republic that have been, and continue to be, stored or displayed in the State Capitol.

(3) One or more paintings of the Civil War era that were donated to the state.

(4) Other remaining artifacts of the Grand Army of the Republic, and Civil War memorabilia.

(c) The articles specified in subdivision (b) shall be stored, cared for, or displayed as follows:

(1) The Adjutant General shall provide suitable accommodations within the California National Guard Military Museum and Resource Center for the care and display of the display cabinet that was once used to display at the State Capitol the books, papers, and other artifacts relating to the Grand Army of the Republic and may make suitable arrangements for the use of this cabinet for the public display of these articles in locations throughout the state.

(2) Suitable facilities shall be provided at the State Capitol for storage or display within the State Capitol of the flags as set forth in paragraph (2) of subdivision (b), of the Civil War era paintings donated to the state as set forth in paragraph (3) of subdivision (b), and of other remaining artifacts and Civil War memorabilia as set forth in paragraph (4) of subdivision (b).

SEC. 3. Chapter 3 (commencing with Section 1290) of Division 6 of the Military and Veterans Code is repealed.

CHAPTER 202

An act to amend Section 2472 of the Business and Professions Code, relating to podiatry.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 2472 of the Business and Professions Code is amended to read:

2472. (a) The certificate to practice podiatric medicine

authorizes the holder to practice podiatric medicine.

(b) As used in this chapter, "podiatric medicine" means the diagnosis, medical, surgical, mechanical, manipulative, and electrical treatment of the human foot, including the ankle and tendons that insert into the foot and the nonsurgical treatment of the muscles and tendons of the leg governing the functions of the foot.

(c) No podiatrist shall do any amputation or administer an anesthetic other than local. If an anesthetic other than local is required for any procedure, the anesthetic shall be administered by another health care practitioner licensed under this division, who is authorized to administer the required anesthetic within the scope of his or her practice.

(d) Surgical treatment by a podiatrist of the ankle and tendons at the level of the ankle shall be performed only in the following locations:

(1) Licensed general acute care hospital, as defined in Section 1250 of the Health and Safety Code.

(2) A licensed surgical clinic, as defined in Section 1204 of the Health and Safety Code, if the podiatrist has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in subparagraph (1) and meets all the protocols of the surgical clinic.

(3) An ambulatory surgical center that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. Sec. 1395 et seq.) of the federal Social Security Act, if the podiatrist has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in subparagraph (1) and meets all the protocols of the surgical center.

(4) A freestanding physical plant housing outpatient services of a licensed general acute care hospital, as defined in Section 1250 of the Health and Safety Code. For purposes of this section, a "freestanding physical plant" means any building that is not physically attached to a building where inpatient services are provided.

(e) The amendment of this section made at the 1983–84 Regular Session of the Legislature is intended to codify existing practice.

CHAPTER 203

An act to add Section 13396.6 to the Water Code, relating to water.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 13396.6 is added to the Water Code, to read:

13396.6. No fees may be imposed pursuant to Section 13396.5 on dischargers who discharge into enclosed bays, estuaries, or adjacent

waters in the contiguous zone or the ocean from lands managed solely to provide habitat for waterfowl and other water-dependent wildlife.

CHAPTER 204

An act to add Section 60603.5 to the Education Code, relating to private schools.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 60603.5 is added to the Education Code, to read:

60603.5. (a) Any private school may adopt the pupil assessment program developed pursuant to Section 60602.5 to use for testing pupils in that school.

(b) The State Department of Education shall calculate its cost in supplying the testing materials to a school, grading the test, distributing the statewide results of the test to a school, and any other reasonably related expenses. That amount shall be reimbursed to the department by any private school that chooses to use the pupil assessment testing program pursuant to subdivision (a).

(c) The Superintendent of Public Instruction, or his or her designee, shall appoint a representative of the local public education community to proctor the administration of a pupil assessment test given at any private school.

CHAPTER 205

An act to amend Section 5415 of the Health and Safety Code, and to amend Sections 13521, 13522, 13523, and 13523.1 of the Water Code, relating to water.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 5415 of the Health and Safety Code is amended to read:

5415. No provision in this chapter is a limitation on any of the following:

(a) The authority of a city or county to adopt and enforce additional regulations not in conflict with this chapter imposing

additional conditions, restrictions, or limitations relating to the disposal of sewage or other waste.

(b) The authority of any city or county to declare, prohibit, and abate nuisances.

(c) The authority of a state agency in the enforcement or administration of any provision of law which it is specifically permitted or required to enforce or administer.

(d) The right of any person to maintain at any time any appropriate action for relief against any private nuisance as defined in the Civil Code or for relief against any contamination or pollution.

(e) The authority of a city or county to adopt and enforce regulations relating to the use of reclaimed water in accordance with Chapter 7 (commencing with Section 13500) of Division 7 of the Water Code.

SEC. 2. Section 13521 of the Water Code is amended to read:

13521. The State Department of Health Services shall establish uniform statewide reclamation criteria for each varying type of use of reclaimed water where the use involves the protection of public health.

SEC. 3. Section 13522 of the Water Code is amended to read:

13522. (a) Whenever the State Department of Health Services or any local health officer finds that a contamination exists as a result of the use of reclaimed water, the department or local health officer shall order the contamination abated in accordance with the procedure provided for in Chapter 6 (commencing with Section 5400) of Part 3 of Division 5 of the Health and Safety Code.

(b) The use of reclaimed water in accordance with the uniform statewide reclamation criteria established pursuant to Section 13521, for the purpose of this section, does not cause, constitute, or contribute to, any form of contamination, unless the department or the regional board determines that contamination exists.

SEC. 4. Section 13523 of the Water Code is amended to read:

13523. (a) Each regional board, after consulting with and receiving the recommendations of the State Department of Health Services and any party who has requested in writing to be consulted, and after any necessary hearing, shall, if in the judgment of the board, it is necessary to protect the public health, safety, or welfare, prescribe water reclamation requirements for water which is used or proposed to be used as reclaimed water.

(b) The requirements may be placed upon the person reclaiming water, the user, or both. The requirements shall be established in conformance with the uniform statewide reclamation criteria established pursuant to Section 13521. The regional board may require the submission of a preconstruction report for the purpose of determining compliance with the uniform statewide reclamation criteria. The requirements for a use of reclaimed water not addressed by the uniform statewide reclamation criteria shall be considered on a case-by-case basis.

SEC. 5. Section 13523.1 of the Water Code is amended to read:

13523.1. (a) Each regional board, after consulting with, and receiving the recommendations of, the State Department of Health Services and any party who has requested in writing to be consulted, and after any necessary hearing, may, in lieu of issuing waste discharge requirements pursuant to Section 13263 or water reclamation requirements pursuant to Section 13523 for a user of reclaimed water, issue a master reclamation permit to a supplier or distributor, or both, of reclaimed water.

(b) A master reclamation permit shall include, at least, all of the following:

(1) Waste discharge requirements, adopted pursuant to Article 4 (commencing with Section 13260) of Chapter 4.

(2) A requirement that the permittee comply with the uniform statewide reclamation criteria established pursuant to Section 13521. Permit conditions for a use of reclaimed water not addressed by the uniform statewide water reclamation criteria shall be considered on a case-by-case basis.

(3) A requirement that the permittee establish and enforce rules or regulations for reclaimed water users, governing the design and construction of reclaimed water use facilities and the use of reclaimed water, in accordance with the uniform statewide reclamation criteria established pursuant to Section 13521.

(4) A requirement that the permittee submit a quarterly report summarizing reclaimed water use, including the total amount of reclaimed water supplied, the total number of reclaimed water use sites, and the locations of those sites, including the names of the hydrologic areas underlying the reclaimed water use sites.

(5) A requirement that the permittee conduct periodic inspections of the facilities of the reclaimed water users to monitor compliance by the users with the uniform statewide reclamation criteria established pursuant to Section 13521 and the requirements of the master reclamation permit.

(6) Any other requirements determined to be appropriate by the regional board.

CHAPTER 206

An act to amend Sections 13353.6 and 13369 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 13353.6 of the Vehicle Code is amended to read:

13353.6. (a) If the person's driver's license is a commercial

driver's license, as defined in Section 15210, and if the person has not had a separate violation of Section 23103 as specified in Section 23103.5, Section 23152, or Section 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code which resulted in a conviction, and if the person's privilege to operate a motor vehicle has not been previously suspended or revoked pursuant to Section 13353 or 13353.2 for an offense which occurred on a separate occasion, notwithstanding Section 13551, the department shall, upon receiving the officer's sworn statement and the receipt of the person's driver's license and after review pursuant to subdivision (d) of Section 13353.2, suspend the person's privilege to operate a motor vehicle for 30 days, and then reissue the person a commercial driver's license and endorsements with restrictions, as follows:

(1) The restricted commercial driver's license shall authorize the operation of a motor vehicle only to and from, and in the course and scope of, the person's employment.

(2) The term of the restricted license is 30 days after the date that the order of suspension is effective pursuant to Section 13353.3 until six months after that date.

(b) The person may be issued an unrestricted commercial driver's license after the term of restriction under this section.

(c) This section applies only to the holder of a commercial driver's license who was not operating a commercial vehicle, as defined in Section 15210, at the time of the offense.

SEC. 2. Section 13369 of the Vehicle Code is amended to read:

13369. This section applies to the following endorsements and certificates: passenger transport vehicle, hazardous materials, schoolbus, school pupil activity bus, youth bus, general public paratransit vehicle, and farm labor vehicle.

(a) The department shall refuse to issue or renew, or shall revoke for any of the following causes, the certificate or endorsement of any person who:

(1) Within the preceding three years, has committed any violation which results in a conviction assigned a violation point count of two or more, as defined in Section 12810 and 12810.5. The department shall not refuse to issue or renew, nor shall it revoke a person's hazardous materials or passenger transportation vehicle endorsement if the violation leading to the conviction occurred in the person's private vehicle and not in a commercial motor vehicle, as defined in Section 15210.

(2) Within the preceding three years, has had his or her driving privilege suspended, revoked, or on probation for any reason involving unsafe operation of a motor vehicle. The department shall not refuse to issue or renew, nor shall it revoke, a person's hazardous materials or passenger transportation vehicle endorsement if the person's driving privilege has, within the preceding three years, been placed on probation only for any reason involving unsafe operation of a motor vehicle, or if Section 13353.6 applies.

(b) The department may refuse to issue or renew, or may suspend or revoke the certificate or endorsement of any person who:

(1) Within the preceding 12 months, has been involved as a driver in three accidents in which the driver caused or contributed to the causes of the accidents.

(2) Within the preceding 24 months, as a driver, caused or contributed to the cause of an accident resulting in a fatality or serious injury or serious property damage in excess of five hundred dollars ($500).

(3) Has violated any provision of this code, or any rule or regulation pertaining to the safe operation of a vehicle for which the certificate or endorsement was issued.

(4) Has violated any restriction of the certificate, endorsement, or commercial driver's license.

(5) Has knowingly made a false statement or concealed a material fact on an application for a certificate or endorsement.

(6) Has been determined by the department to be a negligent or incompetent operator.

(7) Has demonstrated irrational behavior to the extent that a reasonable and prudent person would have reasonable cause to believe that the applicant's ability to perform the duties of a driver may be impaired.

(8) Excessively or habitually uses, or is addicted to, alcoholic beverages, narcotics, or dangerous drugs.

(9) Does not meet the minimum medical standards established or approved by the department.

(c) The department may cancel the certificate or endorsement of any driver who:

(1) Does not have a valid license of the appropriate class.

(2) Has requested cancellation of the certificate or endorsement.

(3) Has failed to meet any of the requirements for issuance or retention of the certificate or endorsement, including, but not limited to, payment of the proper fee, submission of an acceptable medical report and fingerprint cards, and failure to meet prescribed training requirements.

(4) Has had his or her driving privilege suspended or revoked for a cause involving other than the safe operation of a motor vehicle.

(d) With regard to a violation, accident, or departmental action which occurred prior to January 1, 1991, subdivision (a) and paragraphs (1), (2), and (3) of subdivision (b) do not apply to a driver holding a valid passenger transport or hazardous materials endorsement, or a valid class 1 or class 2 license who is applying to convert that license to a class A or class B license with a passenger transport or hazardous materials endorsement, if the driver submits proof that he or she is currently employed operating vehicles requiring the endorsement, or a valid class 3 license who is applying for a class C license with a hazardous materials endorsement if the driver submits proof that he or she is currently employed operating vehicles requiring the endorsement.

(e) Subdivision (d) does not apply to drivers applying for a schoolbus, school pupil activity bus, youth bus, general public paratransit vehicle, or farm labor vehicle certificate.

(f) (1) Reapplication following denial or revocation under subdivision (a) or (b) may be made after a period of not less than one year from the effective date of denial or revocation, except in cases where a longer period of suspension or revocation is required by law.

(2) Reapplication following cancellation under subdivision (d) may be made any time without prejudice.

CHAPTER 207

An act to amend Section 4603 of, and to add Chapter 3 (commencing with Section 3200) to Part 1 of Division 3 of, the Food and Agricultural Code, relating to fairs and expositions, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Chapter 3 (commencing with Section 3200) is added to Part 1 of Division 3 of the Food and Agricultural Code, to read:

CHAPTER 3. FISCAL PROVISIONS

3200. Notwithstanding any other provision of law, all funds appropriated for California fairs and expositions pursuant to Sections 19622, 19627, 19627.1, and subdivision (c) of Section 19627.2 of the Business and Professions Code for the 1993–94 fiscal year shall not be utilized for the purposes specified in those sections but shall, instead, be utilized for the purposes specified in Section 19630 of the Business and Professions Code, and may be allocated by the Director of Food and Agriculture to all state designated fairs as defined by Section 19418 of the Business and Professions Code, for the purposes specified in Section 19630.

SEC. 2. Section 4603 of the Food and Agricultural Code is amended to read:

4603. "Citrus fruit fair" means any citrus fruit fair or citrus fruit fair and exposition which satisfies all of the following requirements:

(a) Has been conducted and carried on by an association for not less than four or more than 15 consecutive days during each calendar year for a period of not less than 20 consecutive years.

(b) Citrus fruits are exhibited for prizes and premiums at the fair.

The fair has for its purpose the promotion and encouragement of the citrus fruit industry of this state.

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 changes in the appropriation of the daily license fees in this act to become effective early in the 1993–94 fiscal year, and in order to broaden at the earliest possible time the number of fairs that are eligible to be citrus fruit fairs, it is necessary for this act to become effective immediately.

CHAPTER 208

An act to amend Section 34501.2 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 34501.2 of the Vehicle Code is amended to read:

34501.2. (a) The regulations adopted pursuant to Section 34501 for vehicles engaged in interstate or intrastate commerce shall establish hours-of-service regulations for drivers of those vehicles that are consistent with the hours-of-service regulations adopted by the United States Department of Transportation in Part 395 of Title 49 of the Code of Federal Regulations, as those regulations now exist or are hereafter amended.

(b) The regulations adopted pursuant to Section 34501 for vehicles engaged in intrastate commerce that are not transporting hazardous substances or hazardous waste, as those terms are defined by regulations in Section 171.8 of Title 49 of the Code of Federal Regulations, as those regulations now exist or are hereafter amended, shall have the following exceptions:

(1) The maximum driving time within a work period shall be 12 hours for a driver of a truck or truck tractor, except for a driver of a tank vehicle with a capacity of more than 500 gallons transporting flammable liquid, who shall not drive for more than 10 hours within a work period.

(2) No motor carrier shall permit or require a driver to drive, nor shall any driver drive, for any period after having been on duty for 80 hours in any consecutive eight days.

(3) A driver employed by an electrical corporation, as defined in Section 218 of the Public Utilities Code, a gas corporation, as defined in Section 222 of that code, or a telephone corporation, as defined in

Section 234 of that code, may be permitted or required to drive more than the number of hours specified in subdivision (a) while operating a public utility vehicle during the emergency restoration of public utility service.

(4) Any other exceptions applicable to drivers assigned to governmental fire suppression and prevention, as determined by the department.

(5) A driver employed by a law enforcement agency, as defined in Section 390.3 (f) (2) of Title 49 of the Code of Federal Regulations, as that section now exists or is hereafter amended, during an emergency or to restore the public peace.

(c) The regulations adopted pursuant to Section 34501 for vehicles engaged in the transportation of farm products in intrastate commerce shall include all of the following provisions:

(1) A driver employed by an agricultural carrier, as defined in Section 3525 of the Public Utilities Code, including a carrier holding a seasonal permit issued pursuant to Section 3584.2 of the Public Utilities Code, or by a private carrier, as defined in Section 4001 of the Public Utilities Code, when transporting farm products from the field to the first point of processing or packing, shall not drive for any period after having been on duty 16 hours or more following eight consecutive hours off duty and shall not drive for any period after having been on duty for 112 hours in any consecutive eight-day period, except that a driver transporting special situation farm products from the field to the first point of processing or packing, or transporting livestock from pasture to pasture, may be permitted, during one period of not more than 28 consecutive days or a combination of two periods totaling not more than 28 days in a calendar year, to drive for not more than 12 hours during any workday of not more than 16 hours. A driver who thereby exceeds the driving time limits specified in paragraph (2) of subdivision (b) shall maintain a driver's record of duty status, and shall keep a duplicate copy in his or her possession when driving a vehicle subject to this chapter. These records shall be presented immediately upon request by any authorized employee of the department, or any police officer or deputy sheriff.

(2) Upon the request of the Director of Food and Agriculture, the commissioner may, for good cause, temporarily waive the maximum on-duty time limits applicable to any eight-day period when an emergency exists due to inclement weather, natural disaster, or an adverse economic condition that threatens to disrupt the orderly movement of farm products during harvest for the duration of the emergency. For purposes of this paragraph, an emergency does not include a strike or labor dispute.

(3) For purposes of this subdivision, the following terms have the following meanings:

(A) "Farm products" means every agricultural, horticultural, viticultural, or vegetable product of the soil, honey and beeswax, oilseeds, poultry, livestock, milk, or timber.

(B) "First point of processing or packing" means a location where farm products are dried, canned, extracted, fermented, distilled, frozen, ginned, eviscerated, pasteurized, packed, packaged, bottled, conditioned, or otherwise manufactured, processed, or preserved for distribution in wholesale or retail markets.

(C) "Special situation farm products" means fruit, tomatoes, sugar beets, grains, wine grapes, grape concentrate, cotton, or nuts.

CHAPTER 209

An act to amend Section 99234.9 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 99234.9 of the Public Utilities Code is amended to read:

99234.9. Any county, city, county transportation commission, or operator may file claims with the transportation planning agency for rail passenger service operation expenditures and capital improvement expenditures, including construction and maintenance of intermodal transportation facilities. These funds may be used as the entity's required contribution toward the cost of providing these services or capital improvements.

CHAPTER 210

An act to add and repeal Section 8588.7 of the Government Code, relating to the Office of Emergency Services.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 8588.7 is added to the Government Code, to read:

8588.7. (a) Pursuant to Section 8588.5, the Office of Emergency Services, under contract with the Police Department of the City of Inglewood, conducted a study and determined the feasibility and effectiveness of cross-training existing law enforcement patrol dog teams or contraband detection dog teams, or both, to function also as disaster search dog teams.

(b) The Office of Emergency Services shall conduct two projects,

with any city or county electing to participate, to cross-train existing law enforcement dogs to function as disaster search dogs, as contemplated by Chapter 894 of the Statutes of 1990 and Section 8588.5, and consistent with the conclusions and recommendations of the study conducted by the Office of Emergency Services pursuant to Section 8588.5. Based on an application process, each city or county electing to participate in a project pursuant to this section shall pay all costs of replacing its peace officers engaged in a project. The Office of Emergency Services shall bear all other costs of the projects.

(c) This section shall remain in effect only until December 31, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before December 31, 1995, deletes or extends that date.

CHAPTER 211

An act to add Section 5022 to the Penal Code, relating to correctional facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 5022 is added to the Penal Code, to read:

5022. (a) Upon the entry of a prisoner into a facility operated by the Department of Corrections, and at least every year thereafter, the Director of Corrections shall obtain from the prisoner the name and last known address and telephone number of any person or persons who shall be notified in the event of the prisoner's death or serious illness or serious injury, as determined by the physician in attendance, and who are authorized to receive his or her body. The persons shall be noted in the order of the prisoner's preference. The Director of Corrections shall provide the prisoner with the opportunity to modify or amend his or her notification list at any time.

(b) The Director of Corrections shall use all reasonable means to contact the person or persons set forth in the notification list upon the death or serious illness or serious injury, as determined by the physician in attendance, of the prisoner while confined in a facility operated by the Department of Corrections.

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

In order to ensure that the death or serious illness or serious injury,

as determined by the physician in attendance, of any prisoner confined in a state correctional facility is timely reported to the person or persons whom the prisoner has authorized to receive his or her body, and to maintain the public safety at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 212

An act to add Section 48900.6 to the Education Code, relating to schools.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 48900.6 is added to the Education Code, to read:

48900.6. Instead of disciplinary action prescribed by this article, the principal of a school, the principal's designee, or the superintendent of schools, at his or her discretion, may require a pupil to perform community service on school grounds during nonschool hours. For the purposes of this section "community service" may include, but is not limited to, work performed on school grounds in the areas of outdoor beautification, campus betterment, and teacher or peer assistance programs. This section shall not apply to instances where suspension or expulsion is required by this article.

CHAPTER 213

An act to amend Section 11 of, to amend, repeal, and add Section 1 of, and to add Sections 1.2, 1.4, and 1.6 to, the Orange County Water District Act (Chapter 924 of the Statutes of 1933), relating to the Orange County Water District.

[Approved by Governor July 25, 1993. Filed with Secretary of State July 26, 1993.]

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) 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° O5' 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 centerline 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" 76.91 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 Lewellyn 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 253, 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 50° 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' 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 Beach 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.

(b) 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.

(c) 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.

(d) This section shall remain in effect only until the initial adjustment of the boundaries of the first, second, third, fourth, fifth, sixth, and seventh division by the board of directors pursuant to Section 1.2. Upon making that adjustment, the board shall submit a notice to that effect to the Secretary of State, and this section shall be repealed on the January 1 following the receipt of that notice by the Secretary of State.

SEC. 2. Section 1 is added to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), to read:

Section 1. (a) 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° O5' 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 centerline 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" 76.91 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 Lewellyn 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 253, 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 50° 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′ 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 Beach 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.

(b) 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.

(c) The boundaries of the first, second, third, fourth, fifth, six and seventh divisions are established pursuant to Section 1.2.

(d) The boundaries of the eighth, ninth and tenth divisions are as follows:

(1) 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.

(2) 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.

(3) 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.

(e) 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.

(f) This section shall become operative upon the receipt by the Secretary of State of the notice specified in Section 1, as set forth in the act that added this section.

SEC. 3. Section 1.2 is added to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), to read:

Sec. 1.2. (a) After each federal decennial census, and using population figures as validated by the Population Research Unit of the Department of Finance, the board of directors shall, by resolution, adjust the boundaries of the first, second, third, fourth, fifth, sixth, and seventh divisions so that those divisions are, as far as practicable, equal in population and represent, as far as practicable, a commonality of interest.

(b) The resolution requires the vote of not less than six directors for adoption.

(c) At the time of, or after, any annexation of territory to the agency, the board of directors shall designate, by resolution, the division of which the annexed territory shall be a part.

SEC. 4. Section 1.4 is added to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), to read:

1.4. No change in the boundaries of any division may be made within the four months immediately preceding the election of any director.

SEC. 5. Section 1.6 is added to the Orange County Water District Act (Chapter 924 of the Statutes of 1933), to read:

1.6. (a) A change in the boundaries of a division does not affect the term of office of any director.

(b) Notwithstanding Section 11, if the boundaries of a division are adjusted, the director of the division whose boundaries have been adjusted, shall continue to be the director of the division bearing the number of his or her division as formerly comprised until the office becomes vacant by means of term expiration or otherwise, whether or not the director is a resident within the boundaries of the division as adjusted.

(c) The successor to the office in a division whose boundaries have been adjusted shall be a resident of, and voter within the meaning of Section 18 of the Elections Code in, that division.

SEC. 6. Section 11 of the Orange County Water District Act (Chapter 924 of the Statutes of 1933) is amended to read:

Sec. 11. The successor to each director in office on January 1,

1994, and each director thereafter, whether elected or appointed, shall be a resident of, and a voter within the meaning of Section 18 of the Elections Code in, the division the director represents. A public officer, whether elected or appointed, may be elected or appointed to serve as a member of the board of directors of the district.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 214

An act to amend Section 1451 of the Elections Code, relating to elections.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 1451 of the Elections Code is amended to read:

1451. (a) Any voter who has any of the following impairments or conditions may apply for permanent absent voter status:

(1) Has lost one or more limbs or the use of one or more limbs.

(2) Has lost both hands or the use of both hands.

(3) Is unable to move about without the aid of an assistant device (e.g., canes, crutches, walker, wheelchair).

(4) Is suffering from lung disease, blindness, or cardiovascular disease.

(5) Has a significant limitation in the use of the lower extremities.

(6) Is suffering from a diagnosed disease or disorder that substantially impairs or interferes with his or her mobility.

(b) The following voters may also apply for permanent absent voter status:

(1) A spouse who resides with, and is the primary caregiver to, a voter described in subdivision (a).

(2) A nonspousal primary caregiver to a voter described in subdivision (a) who resides with the voter. As used in this subdivision, "nonspousal primary caregiver" means a blood relative or family member related by marriage who has primary responsibility for the care of the voter.

(c) Application for permanent absent voter status shall be made

in accordance with Section 1002. The voter or other person described in subdivision (b) shall complete an application, which shall be available from the county clerk, and which shall contain:

(1) Applicant's name at length.

(2) Applicant's residence address.

(3) Address where ballot is to be mailed, if different from the place of residence.

(4) Information which establishes the applicant's right to permanent absent voter status.

(5) The signature of the applicant.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 215

An act to amend Section 51228 of the Education Code, relating to pupils.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 26, 1993.]

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

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

(a) Each child has a fundamental right to an elementary and secondary education under Section 5 of Article IX of the California Constitution. Each child deserves an education that prepares him or her for either entry into business or industry or to continue his or her education at an institution of postsecondary education.

(b) Existing law, Section 51228 of the Education Code, requires each school district maintaining any of grades 7 to 12, inclusive, to offer to all otherwise qualified pupils in those grades a course of study fulfilling the requirements and prerequisites for admission to the California public universities.

Therefore, the Legislature finds and declares that, pursuant to Section 51228 of the Education Code, each school district maintaining any of grades 7 to 12, inclusive, must allow all otherwise

qualified pupils to enroll in all of the courses that are requirements or prerequisites for admission to the California public universities prior to graduation from high school.

SEC. 2. Section 51228 of the Education Code is amended to read:

51228. (a) Each school district maintaining any of grades 7 to 12, inclusive, shall offer to all otherwise qualified pupils in those grades a course of study fulfilling the requirements and prerequisites for admission to the California public institutions of postsecondary education and shall provide a timely opportunity to each of those pupils to enroll within a four-year period in each course necessary to fulfill those requirements and prerequisites prior to graduation from high school.

(b) Each school district maintaining any of grades 7 to 12, inclusive, shall offer to all otherwise qualified pupils in those grades a course of study that provides an opportunity for those pupils to attain entry-level employment skills in business or industry upon graduation from high school.

(c) Any school district that adopts a required curriculum that meets or exceeds the model standards developed by the State Board of Education pursuant to Section 51226 shall be deemed to have fulfilled its responsibilities pursuant to subdivision (b).

(d) Any school district that adopts a required curriculum pursuant to subdivision (c) that meets or exceeds the model standards developed by the State Board of Education pursuant to Section 51226, or that adopts alternative means for pupils to complete the prescribed course of study pursuant to subdivision (b) of Section 51225.3, may substitute pupil demonstration of competence in the prescribed subjects through a practical demonstration of these skills in a regional occupational center or program, work experience, interdisciplinary study, independent study, credit earned at a postsecondary institution, or other outside school experience, as prescribed by Section 51225.

SEC. 3. The Legislature hereby finds and declares that Section 2 of this act is declaratory of existing law.

CHAPTER 216

An act to repeal Section 17514.5 of, and to repeal Chapter 5 (commencing with Section 17620) of Part 7 of Division 4 of Title 2 of, the Government Code, relating to state-mandated local programs.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 17514.5 of the Government Code is repealed.

SEC. 2. Chapter 5 (commencing with Section 17620) of Part 7 of Division 4 of Title 2 of the Government Code is repealed.

CHAPTER 217

An act to amend Section 1357 of, and to add Section 1357.035 to, the Health and Safety Code, and to amend Section 10700 of, and to add Section 10705.1 to, the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 1357 of the Health and Safety Code is amended to read:

1357. As used in this article:

(a) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health care plan contract covering the employee.

(b) "Eligible employee" means any permanent employee who is actively engaged on a full-time basis in the conduct of the business of the small employer with a normal workweek of at least 30 hours, at the small employer's regular places of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business and included as employees under a health care plan contract of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis.

(c) "In force business" means an existing health benefit plan contract issued by the plan to a small employer.

(d) "Late enrollee" means an eligible employee or dependent who has declined enrollment in a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan and who subsequently requests enrollment in a health benefit plan of that small employer; provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if: (1) the individual meets all of the following: (A) he or she was covered under another employer health benefit plan at the time the individual was eligible to enroll; (B) he or she certified at the time of the initial enrollment that coverage

under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee; (C) he or she has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual or of a person through whom the individual was covered as a dependent, termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through whom the individual was covered as a dependent, or divorce; and (D) he or she requests enrollment within 30 days after termination of coverage or employer contribution toward coverage provided under another employer health benefit plan; (2) the employer offers multiple health benefit plans and the employee elects a different plan during an open enrollment period; (3) a court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order; (4) the plan cannot produce a written statement from the employer stating that the individual or the person through whom the individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed acknowledgment of an explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion, unless the individual meets the criteria specified in paragraph (1), (2), or (3).

(e) "New business" means a health care service plan contract issued to a small employer that is not the plan's in force business.

(f) "Preexisting condition provision" means a contract provision that excludes coverage for charges or expenses incurred during a specified period following the employee's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(g) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract, or program, that is written or administered by a disability insurer, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability

income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(h) "Rating period" means the period for which premium rates established by a plan are in effect and shall be no less than six months.

(i) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(j) "Risk adjustment factor" means the percent adjustment to be applied equally to each standard employee risk rate for a particular small employer, based upon any expected deviations from standard cost of services. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(k) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family composition of the employee, plus the health benefit plan selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

Under 30
30–39
40–49
50–54
55–59
60–64
65 and over

(2) Small employer health care service plans shall base rates to small employers using no more than the following family size categories:

(A) Single.

(B) Married couple.

(C) One adult and child or children.

(D) Married couple and child or children.

(3) (A) In determining rates for small employers, a plan that operates statewide shall use no more than nine geographic regions in the state, have no region smaller than an area in which the first three digits of all its ZIP Codes are in common, and divide no county into more than two regions. Plans shall be deemed to be operating

statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a plan that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the population, as determined in the last federal census, of all counties that are included in their entirety in a plan's service are divided by the total population of the state, as determined in the last federal census, multiplied by nine. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No plan shall have less than one geographic area.

Nothing in this section shall be construed to require a plan to establish a new service area or to offer health coverage on a statewide basis, outside of the plan's existing service area.

(*l*) "Small employer" means any person, firm, proprietary or nonprofit corporation, partnership, public agency, or association that is actively engaged in business or service, that, on at least 50 percent of its working days during the preceding calendar quarter, employed at least three, but no more than 50, eligible employees, the majority of whom were employed within this state, which was not formed primarily for purposes of buying health care service plan contracts and in which a bona fide employer-employee relationship exists. However, for purposes of subdivisions (a), (b), and (c) of Section 1357.03, the definition shall include employers with at least five eligible employees until July 1, 1994, four eligible employees until July 1, 1995, and three eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies and that are eligible to file a combined tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health benefit plan contract to a small employer pursuant to this article, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided in this article, provisions of this article that apply to a small employer shall continue to apply until the plan contract anniversary following the date the employer no longer meets the requirements of this definition. "Small employer" includes any guaranteed association, as defined in subdivision (n), acting on behalf of individuals or employers meeting the guaranteed association's membership criteria.

(m) "Standard employee risk rate" means the rate applicable to

an eligible employee in a particular risk category in a small employer group.

(n) "Guaranteed association" means a nonprofit organization comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or employer meeting its membership criteria which (1) includes one or more small employers, (2) does not condition membership directly or indirectly on the health or claims history of any person, (3) uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, (4) is organized and maintained in good faith for purposes unrelated to insurance, (5) has been in active existence on January 1, 1992, and for at least five years prior to that date, (6) has been offering health insurance to its members for at least five years prior to January 1, 1992, (7) has a constitution and bylaws, or other analogous governing documents that provide for election of the governing board of the association by its members, (8) has contracted with one or more carriers to offer one or more health benefit plans to all individual members and employer members in this state, and (9) covers at least 1,000 persons with each carrier with which it contracts. The requirement of 1,000 persons may be met if component chapters of a statewide association contracting separately with the same carrier cover at least 1,000 persons in the aggregate.

(o) "Members of an association" means a member of an association and includes individual members, employers of individual members, employees and dependents of individual members, employees and dependents of employers of individual members, association staff, retired members, and surviving spouses and dependents of members.

SEC. 2. Section 1357.035 is added to the Health and Safety Code, to read:

1357.035. (a) On the effective date of this chapter, and for 90 days thereafter, an association that meets the definition of guaranteed association, as set forth in Section 1357, except for the requirement that 1,000 persons be covered, shall be entitled to purchase small employer health coverage as if the association were a guaranteed association, except that the coverage shall be guaranteed only for those members of an association, as defined in Section 1357, who were receiving coverage or had successfully applied for coverage through the association as of June 30, 1993, or who were receiving coverage through the association as of December 31, 1992, and whose coverage lapsed at any time thereafter because the employment through which coverage was received ended or an employer's contribution to health coverage ended.

(b) An association obtaining health coverage for its members

pursuant to this section shall otherwise be afforded all the rights of a guaranteed association under this chapter including, but not limited to, guaranteed renewability of coverage.

(c) Within 30 days of the effective date of this section, carriers that, at any time during the 1993 calendar year have provided coverage to associations that would be eligible for coverage under this section shall notify those associations of their rights under this section.

SEC. 3. Section 10700 of the Insurance Code is amended to read:

10700. As used in this chapter:

(a) "Actuarial certification" means a written statement by a member of the American Academy of Actuaries or other individual acceptable to the commissioner that a carrier is in compliance with the provisions of this chapter, based upon the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods used by the carrier in establishing premium rates for applicable health benefit plans.

(b) "Agent or broker" means a person or entity licensed under Chapter 5 (commencing with Section 1621) of Part 2 of Division 1.

(c) "Benefit plan design" means a specific health coverage product issued by a carrier to small employers or to trustees of associations that include small employers. It includes services covered and the levels of copayment and deductibles, and it may include the professional providers who are to provide those services and the sites where those services are to be provided. A benefit plan design may also be an integrated system for the financing and delivery of quality health care services which has significant incentives for the covered individuals to use the system.

(d) "Board" means the Major Risk Medical Insurance Board.

(e) "Carrier" means any disability insurance company, nonprofit hospital service plan, or any other entity that writes, issues, or administers group health benefit plans that cover the employees of small employers, regardless of the situs of the contract or master policyholder. For the purposes of Articles 3 (commencing with Section 10719) and 4 (commencing with Section 10730), "carrier" also includes health care service plans.

(f) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health benefit plan covering the employee.

(g) "Eligible employee" means any permanent employee who is actively engaged on a full-time basis in the conduct of the business of the small employer with a normal work week of at least 30 hours, in the small employer's regular place of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business, and they are included as employees under a health benefit plan of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis.

(h) "Enrollee" means an eligible employee or dependent who receives health coverage through the program from a participating carrier.

(i) "Financially impaired" means, for the purposes of this chapter, a carrier that, on or after the effective date of this chapter, is not insolvent and is either:

(1) Deemed by the commissioner to be potentially unable to fulfill its contractual obligations.

(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(j) "Fund" means the California Small Group Reinsurance Fund.

(k) "Health benefit plan" means a policy or contract written or administered by a carrier that arranges or provides health care benefits for the enrolled employees of a small employer and their dependents. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(*l*) "In force business" means an existing health benefit plan issued by the carrier to a small employer.

(m) "Late enrollee" means an eligible employee or dependent who has declined health coverage under a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that small employer; provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if: (1) the individual meets all of the following: (A) was covered under another employer health benefit plan at the time the individual was eligible to enroll; (B) certified at the time of the initial enrollment, that coverage under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee; (C) has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual, or of a person through whom the individual was covered as a dependent, the termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through

whom the individual was covered as a dependent, or divorce; and (D) requests enrollment within 30 days after termination of coverage or employer contribution toward coverage provided under another employer health benefit plan; or (2) the individual is employed by an employer who offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or (3) a court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order; or (4) the carrier cannot produce a written statement from the employer stating that the individual or the person through whom an individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed acknowledgment of, an explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the carrier to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion unless the individual meets the criteria specified in paragraph (1), (2), or (3).

(n) "New business" means a health benefit plan issued to a small employer that is not the carrier's in force business.

(o) "Participating carrier" means a carrier that has entered into a contract with the program to provide health benefits coverage under this part.

(p) "Plan of operation" means the plan of operation of the fund, including articles, bylaws and operating rules adopted by the fund pursuant to Article 3 (commencing with Section 10719).

(q) "Program" means the Voluntary Alliance Uniting Employers Purchasing Program.

(r) "Preexisting condition provision" means a policy provision that excludes coverage for charges or expenses incurred during a specified period following the insured's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(s) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract, or program, that is written or administered by a disability insurer, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are

payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(t) "Rating period" means the period for which premium rates established by a carrier are in effect and shall be no less than six months.

(u) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(v) "Risk adjustment factor" means the percent adjustment to be applied equally to each standard employee risk rate for a particular small employer, based upon any expected deviations from standard claims. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(w) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family size of the employee, plus the benefit plan design selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

Under 30
30–39
40–49
50–54
55–59
60–64
65 and over

(2) Small employer carriers shall base rates to small employers using no more than the following family size categories:

(A) Single.

(B) Married couple.

(C) One adult and child or children.

(D) Married couple and child or children.

(3) (A) In determining rates for small employers, a carrier that operates statewide shall use no more than nine geographic regions in the state, have no region smaller than an area in which the first three digits of all its ZIP Codes are in common and shall divide no county into more than two regions. Carriers shall be deemed to be operating statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be separate and

distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a carrier that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the population, as determined in the last federal census, of all counties which are included in their entirety in a carrier's service area divided by the total population of the state, as determined in the last federal census, multiplied by nine. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No carrier shall have less than one geographic area.

(x) "Small employer" means any person, proprietary or nonprofit firm, corporation, partnership, public agency, or association that is actively engaged in business or service that, on at least 50 percent of its working days during the preceding calendar quarter, employed at least three, but not more than 50, eligible employees, the majority of whom were employed within this state, that was not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. However, for purposes of subdivisions (b) and (h) of Section 10705, the definition shall include employers with at least five eligible employees until July 1, 1994, four eligible employees until July 1, 1995, and three eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies, and that are eligible to file a combined income tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health benefit plan to a small employer pursuant to this chapter, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided, provisions of this chapter that apply to a small employer shall continue to apply until the health benefit plan anniversary following the date the employer no longer meets the requirements of this definition. "Small employer" includes any guaranteed association, as defined in subdivision (aa), acting on behalf of individuals or employers meeting the guaranteed association's membership criteria.

(y) "Standard employee risk rate" means the rate applicable to an eligible employee in a particular risk category in a small employer group.

(z) An association is a nonprofit organization comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or small employer meeting its membership criteria, which do not condition membership directly or

indirectly on the health or claims history of any person, which uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, which is organized and maintained in good faith for purposes unrelated to insurance, which has been in active existence on January 1, 1992, and at least five years prior to that date, which has a constitution and bylaws, or other analogous governing documents which provide for election of the governing board of the association by its members, which has contracted with one or more carriers to offer one or more health benefit plans to all individual members and small employer members in this state.

(aa) "Guaranteed association" means a nonprofit organization comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or employer meeting its membership criteria which (1) includes one or more small employers, (2) does not condition membership directly or indirectly on the health or claims history of any person, (3) uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, (4) is organized and maintained in good faith for purposes unrelated to insurance, (5) has been in active existence on January 1, 1992, and for at least five years prior to that date, (6) has been offering health insurance to its members for at least five years prior to January 1, 1992, (7) has a constitution and bylaws, or other analogous governing documents that provide for election of the governing board of the association by its members, (8) has contracted with one or more carriers to offer one or more health benefit plans to all individual members and employer members in this state, and (9) covers at least 1,000 persons with each carrier with which it contracts. The requirement of 1,000 persons may be met if component chapters of a statewide association contracting separately with the same carrier cover at least 1,000 persons in the aggregate.

(ab) "Members of an association" means a member of an association and includes individual members, employers of individual members, employees and dependents of individual members, employees and dependents of employers of individual members, association staff, retired members, and surviving spouses and dependents of members.

SEC. 4. Section 10705.1 is added to the Insurance Code, to read:

10705.1. (a) On the effective date of this chapter, and for 90 days thereafter, an association that meets the definition of guaranteed association, as set forth in Section 10700, except for the requirement that 1,000 persons be covered, shall be entitled to purchase small employer health coverage as if the association were a guaranteed

association, except that the coverage shall be guaranteed only for those members of an association, as defined in Section 10700, who were receiving coverage or had successfully applied for coverage through the association as of June 30, 1993, or who were receiving coverage through the association as of December 31, 1992, and whose coverage lapsed at any time thereafter because the employment through which coverage was received ended or an employer's contribution to health coverage ended.

(b) An association obtaining health coverage for its members pursuant to this section shall otherwise be afforded all the rights of a guaranteed association under this chapter including, but not limited to, guaranteed renewability of coverage.

(c) Within 30 days of the effective date of this section, carriers that, at any time during the 1993 calendar year have provided coverage to associations that would be eligible for coverage under this section shall notify those associations of their rights under 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 the availability and affordability of small employer health coverage at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 218

An act to amend Section 84202.7 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 26, 1993.]

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

SECTION 1. Section 84202.7 of the Government Code is amended to read:

84202.7. (a) Except as provided in subdivision (b), during an odd-numbered year, any committee by virtue of Section 82013 which makes contributions totaling five thousand dollars ($5,000) or more to elected state officers, their controlled committees, or committees primarily formed to support or oppose any elected state officer during a period specified below shall file campaign statements on the following dates:

(1) No later than April 30 for the period of January 1 through March 31.

(2) No later than October 31 for the period of July 1 through September 30.

(b) If a committee makes contributions totaling five thousand dollars ($5,000) or more to elected state officers, their controlled committees, or committees primarily formed to support or oppose any elected state officer during a period specified in subdivision (a), and all of those contributions are reported pursuant to Section 84202.5 on or before the time specified in subdivision (a), the committee shall not be required to file additional statements for that period pursuant to 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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 219

An act to amend Section 4996.21 of the Business and Professions Code, to amend Section 1799.98 of, to repeal Sections 64, 65, 196.5, 220.15, 220.20, 221.05, 221.07, 222.10, 222.71, 224.21, 224.24, 224.26, 224.30, 224.36, 224.44, 224.62, 224.63, 224.64, 226.23, 226.69, 227.20, 227.30, 227.40, 227.46, 227.50, 233, 4100, 4200, 4202, 4203, 4204, 4206, 4208, 4210, 4213, 4216, 4357.5, 4359, 4370.5, 4372, 4373, 4384.5, 4390, 4390.3, 4602, 4612, 4700.11, 4702, 4720, 4721, 4722, 4800.6, 4800.8, 4800.10, 4800.11, 4801, 5110.740, 5127, 5152, 5157, 5158, 7004, 7009, and 7020 of, to repeal Part 1 (commencing with Section 25) of Division 1 of, to repeal Chapter 6 (commencing with Section 4395) of Title 1.5 of Part 5 of Division 4 of, and to repeal Title 5.7 (commencing with Section 4760) of Part 5 of Division 4 of, the Civil Code, to amend Sections 128, 527.6, 529, 583.161, 683.130, 699.560, 704.114, 704.160, 917.7, 1219, and 2032 of, and to repeal Sections 545.5, 547.7, 548, and 1699 of, the Code of Civil Procedure, to amend Sections 22253, 22253.5, 22401.6, and 22401.7 of the Education Code, to amend Sections 1107 and 1152.5 of, to repeal and add Section 1037.7 of, and to repeal Sections 621.1 and 895.5 of, the Evidence Code, to amend Sections 2, 150, 213, 215, 231, 241, 243, 300, 306, 307, 357, 359, 360, 420, 422, 423, 425, 506, 510, 753, 853, 914, 915, 930, 1000, 1100, 1102, 1816, 1839, 1850, 2010, 2023, 2024, 2255, 2334, 2335, 2400, 2556, 2610, 2623, 2640, 3020, 3023, 3026, 3027, 3028, 3060, 3061, 3080, 3081, 3085, 3088,

3100, 3102, 3150, 3190, 3191, 3192, 3403, 3408, 3409, 3555, 3601, 3621, 3622, 3623, 3650, 3680, 3684, 3687, 3688, 3691, 3761, 3901, 3902, 3930, 4003, 4004, 4010, 4200, 4201, 4321, 4573, 4610, 4614, 4630, 4729, 4730, 4849, 4853, 5206, 5245, 5260, 6924, 7120, 7121, 7132, 7133, 7550, 7555, 7604, 7611, 7612, 7631, 7637, 7807, 7850, 7851, 7891, 8700, 8714, 8801, 8802, 8804, 8808, 8814, 8904, 9001, 9002, 9003, 9005, and 9006 of, to amend the heading of Part 4 (commencing with Section 240) of Division 2 of, to amend the heading of Article 4 (commencing with Section 4200) of Chapter 2 of Part 2 of Division 9 of, to amend the headings of Part 1 (commencing with Section 7500) and Part 2 (commencing with Section 7550) of Division 12 of, to amend and renumber Sections 3021, 7500, and 7501 of, to add Sections 58, 63, 105, 110, 2581, 3021, 3029, 3030, 3031, 3103, 3557, 4733, 7500, 7501, 7502, 7503, 7504, 7505, 7506, 7507, 7611.5, 7852, 8502, 8539, 8543, 8620, 8621, 8622, 8801.3, 8801.5, 8801.7, 8814.5, and 8919 to, to add Chapter 3.5 (commencing with Section 2030), Chapter 4 (commencing with Section 2040), Chapter 9 (commencing with Section 2100), and Chapter 10 (commencing with Section 2120) to Part 1 of Division 6 of, to add Chapter 11 (commencing with Section 3160) to Part 2 of Division 8 of, to add Chapter 9 (commencing with Section 3830) to Part 1 of Division 9 of, to add Division 10 (commencing with Section 6200) to, to add part and chapter headings immediately preceding Section 7540 of, to add Part 2 (commencing with Section 20100) to Division 20 of, to repeal and add Sections 240, 242, 2580, 3101, 4502, and 8815 of, to repeal and add Part 5 (commencing with Section 270) of Division 2 of, to repeal and add Chapter 2 (commencing with Section 3010) of Part 1 of Division 8 of, to repeal and add Chapter 2 (commencing with Section 3040) and Chapter 6 (commencing with Section 3110) of Part 2 of Division 8 of, to repeal and add Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 of, to repeal and add Chapter 6 (commencing with Section 7700) of Part 3 of Division 12 of, to repeal and add Part 1 (commencing with Section 20000) of Division 20 of, to repeal Sections 55, 57, 60, 70, 75, 901, 2501, 2628, 3022, 3805, and 4005 of, to repeal Chapter 4 (commencing with Section 2030) of Part 1 of Division 6 of, to repeal Chapter 11 (commencing with Section 3155) of Part 2 of Division 8 of, to repeal Article 3 (commencing with Section 4100) of Chapter 2 of Part 2 of Division 9 of, and to repeal Division 10 (commencing with Section 5500) of, the Family Code, to amend Sections 6159, 21215, 26833.5, 26840.3, 26841, 68085, and 75050 of the Government Code, to amend Sections 10605 and 11834.11 of the Health and Safety Code, to amend Sections 273.5, 273.6, 360, 977, 1377, 11105.3, 11167, 11170, 12021, 12025.5, 12028.5, 12031, 12070, 12076, 12078, and 14152 of the Penal Code, to amend Sections 3072, 3073, 5022, 5030, and 5305 of the Probate Code, to amend Section 19001 of the Revenue and Taxation Code, and to amend Sections 304, 361.5, 362.4, 366.2, 903, 11476.1, 11478, 11478.1, 11478.5, 12300, and 16120 of the Welfare and Institutions Code, relating to family law.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 4996.21 of the Business and Professions Code is amended to read:

4996.21. The board shall certify as an adoption service provider any licensed clinical social worker seeking certification whom it determines to be qualified as an adoption service provider, as defined in Section 8502 of the Family Code. The board shall charge a fee for that certification that recovers all costs of the certification process and that fee shall be deposited by the board into the State Treasury to the credit of the Behavioral Science Examiners Fund.

SEC. 2. Part 1 (commencing with Section 25) of Division 1 of the Civil Code is repealed.

SEC. 3. Section 64 of the Civil Code is repealed.

SEC. 4. Section 65 of the Civil Code is repealed.

SEC. 5. Section 196.5 of the Civil Code is repealed.

SEC. 6. Section 220.15 of the Civil Code is repealed.

SEC. 7. Section 220.20 of the Civil Code is repealed.

SEC. 8. Section 221.05 of the Civil Code is repealed.

SEC. 9. Section 221.07 of the Civil Code is repealed.

SEC. 10. Section 222.10 of the Civil Code is repealed.

SEC. 11. Section 222.71 of the Civil Code is repealed.

SEC. 12. Section 224.21 of the Civil Code is repealed.

SEC. 13. Section 224.24 of the Civil Code is repealed.

SEC. 14. Section 224.26 of the Civil Code is repealed.

SEC. 15. Section 224.30 of the Civil Code is repealed.

SEC. 16. Section 224.36 of the Civil Code is repealed.

SEC. 17. Section 224.44 of the Civil Code is repealed.

SEC. 18. Section 224.62 of the Civil Code is repealed.

SEC. 19. Section 224.63 of the Civil Code is repealed.

SEC. 20. Section 224.64 of the Civil Code is repealed.

SEC. 21. Section 226.23 of the Civil Code is repealed.

SEC. 22. Section 226.69 of the Civil Code is repealed.

SEC. 23. Section 227.20 of the Civil Code is repealed.

SEC. 24. Section 227.30 of the Civil Code is repealed.

SEC. 25. Section 227.40 of the Civil Code is repealed.

SEC. 26. Section 227.46 of the Civil Code is repealed.

SEC. 27. Section 227.50 of the Civil Code is repealed.

SEC. 28. Section 233 of the Civil Code is repealed.

SEC. 28.5. Section 1799.98 of the Civil Code as amended by Section 10 of Chapter 163 of the Statutes of 1992, is amended to read:

1799.98. (a) Nothing in this title shall be construed to make applicable or affect or operate as a waiver of any of the provisions of any of the following:

(1) Title 13 (commencing with Section 2787) of Part 4 of Division 3 of this code.

(2) Parts 1 (commencing with Section 700), 2 (commencing with Section 760), 3 (commencing with Section 900), and 4 (commencing with Section 1100) of Division 4 of the Family Code.

(3) Sections 4301 and 4302 of the Family Code.

(b) The delivery of notice pursuant to Section 1799.91 is not evidence that the person to whom the notice was delivered entered or did not enter the transaction in the capacity of a surety.

SEC. 29. Section 4100 of the Civil Code is repealed.

SEC. 30. Section 4200 of the Civil Code is repealed.

SEC. 31. Section 4202 of the Civil Code is repealed.

SEC. 32. Section 4203 of the Civil Code is repealed.

SEC. 33. Section 4204 of the Civil Code is repealed.

SEC. 34. Section 4206 of the Civil Code is repealed.

SEC. 35. Section 4208 of the Civil Code is repealed.

SEC. 36. Section 4210 of the Civil Code is repealed.

SEC. 37. Section 4213 of the Civil Code is repealed.

SEC. 38. Section 4216 of the Civil Code is repealed.

SEC. 39. Section 4357.5 of the Civil Code is repealed.

SEC. 39.5. Section 4359 of the Civil Code is repealed.

SEC. 40. Section 4370.5 of the Civil Code is repealed.

SEC. 41. Section 4372 of the Civil Code is repealed.

SEC. 42. Section 4373 of the Civil Code is repealed.

SEC. 43. Section 4384.5 of the Civil Code is repealed.

SEC. 44. Section 4390 of the Civil Code is repealed.

SEC. 45. Section 4390.3 of the Civil Code is repealed.

SEC. 46. Chapter 6 (commencing with Section 4395) of Title 1.5 of Part 5 of Division 4 of the Civil Code is repealed.

SEC. 46.5. Section 4602 of the Civil Code is repealed.

SEC. 46.7. Section 4612 of the Civil Code is repealed.

SEC. 47. Section 4700.11 of the Civil Code is repealed.

SEC. 48. Section 4702 of the Civil Code is repealed.

SEC. 49. Section 4720 of the Civil Code is repealed.

SEC. 50. Section 4721 of the Civil Code is repealed.

SEC. 51. Section 4722 of the Civil Code is repealed.

SEC. 52. Title 5.7 (commencing with Section 4760) of Part 5 of Division 4 of the Civil Code is repealed.

SEC. 53. Section 4800.6 of the Civil Code is repealed.

SEC. 54. Section 4800.8 of the Civil Code is repealed.

SEC. 55. Section 4800.10 of the Civil Code is repealed.

SEC. 56. Section 4800.11 of the Civil Code is repealed.

SEC. 57. Section 4801 of the Civil Code is repealed.

SEC. 58. Section 5110.740 of the Civil Code is repealed.

SEC. 59. Section 5127 of the Civil Code is repealed.

SEC. 60. Section 5152 of the Civil Code is repealed.

SEC. 61. Section 5157 of the Civil Code is repealed.

SEC. 62. Section 5158 of the Civil Code is repealed.

SEC. 63. Section 7004 of the Civil Code is repealed.

SEC. 63.1. Section 7009 of the Civil Code is repealed.

SEC. 63.2. Section 7020 of the Civil Code is repealed.

SEC. 63.3. Section 128 of the Code of Civil Procedure is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As used in this subdivision, the term "domestic violence" means "domestic violence" as defined in Section 6211 of the Family Code.

(f) Notwithstanding Section 1211 or any other provision of law, no order of contempt shall be made affecting a county government or any member of its governing body acting pursuant to its constitutional or statutory authority unless the court finds, based on a review of evidence presented at a hearing conducted for this purpose, that either of the following conditions exist:

(1) That the county has the resources necessary to comply with the order of the court.

(2) That the county has the authority, without recourse to voter approval or without incurring additional indebtedness, to generate the additional resources necessary to comply with the order of the court, that compliance with the order of the court will not expose the county, any member of its governing body, or any other county officer to liability for failure to perform other constitutional or statutory duties, and that compliance with the order of the court will not deprive the county of resources necessary for its reasonable support and maintenance.

SEC. 63.5. Section 527.6 of the Code of Civil Procedure is amended to read:

527.6. (a) A person who has suffered harassment as defined in subdivision (b) may seek a temporary restraining order, and an injunction prohibiting harassment as provided in this section.

(b) For the purposes of this section, "harassment" is a knowing and willful course of conduct directed at a specific person which seriously alarms, annoys, or harasses the person, and which serves no legitimate purpose. The course of conduct must be such as would cause a reasonable person to suffer substantial emotional distress, and must actually cause substantial emotional distress to the plaintiff. "Course of conduct" is a pattern of conduct composed of a series of acts over a period of time, however short, evidencing a continuity of

purpose. Constitutionally protected activity is not included within the meaning of "course of conduct."

(c) Upon filing a petition for an injunction under this section, the plaintiff may obtain a temporary restraining order in accordance with subdivision (a) of Section 527. A temporary restraining order may be granted with or without notice upon an affidavit which, to the satisfaction of the court, shows reasonable proof of harassment of the plaintiff by the defendant, and that great or irreparable harm would result to the plaintiff. A temporary restraining order granted under this section shall remain in effect, at the court's discretion, for a period not to exceed 15 days, unless otherwise modified or terminated by the court.

(d) Within 15 days of the filing of the petition, a hearing shall be held on the petition for the injunction. The defendant may file a response which explains, excuses, justifies, or denies the alleged harassment or may file a cross-complaint under this section. At the hearing, the judge shall receive any testimony that is relevant, and may make an independent inquiry. If the judge finds by clear and convincing evidence that unlawful harassment exists, an injunction shall issue prohibiting the harassment. An injunction issued pursuant to this section shall have a duration of not more than three years. At any time within the three months before the expiration of the injunction, the plaintiff may apply for a renewal of the injunction by filing a new petition for an injunction under this section.

(e) Nothing in this section shall preclude either party from representation by private counsel or from appearing on his or her own behalf.

(f) In a proceeding under this section where there are allegations or threats of domestic violence, a support person may accompany a party in court and, where the party is not represented by an attorney, may sit with the party at the table that is generally reserved for the party and his or her attorney. The support person is present to provide moral and emotional support for a person who alleges he or she is a victim of domestic violence. The support person is not present as a legal adviser and shall not give legal advice. The support person shall assist the person who alleges he or she is a victim of domestic violence in feeling more confident that he or she will not be injured or threatened by the other party during the proceedings where the person who alleges he or she is a victim of domestic violence and the other party must be present in close proximity. Nothing in this subdivision precludes the court from exercising its discretion to remove the support person from the courtroom if the court believes the support person is prompting, swaying, or influencing the party assisted by the support person.

(g) Upon filing of a petition for an injunction under this section, the defendant shall be personally served with a copy of the petition, temporary restraining order, if any, and notice of hearing of the petition.

(h) The court shall order the plaintiff or the attorney for the

plaintiff to deliver a copy of each temporary restraining order or injunction, or modification or termination thereof, granted under this section, by the close of the business day on which the order was granted, to the law enforcement agencies within the court's discretion as are requested by the plaintiff. Each appropriate law enforcement agency shall make available information as to the existence and current status of these orders to law enforcement officers responding to the scene of reported harassment.

(i) The prevailing party in any action brought under this section may be awarded court costs and attorney's fees, if any.

(j) Any willful disobedience of any temporary restraining order or injunction granted under this section is punishable pursuant to Section 273.6 of the Penal Code.

(k) This section does not apply to any action or proceeding covered by Title 1.6C (commencing with Section 1788) of the Civil Code or by Division 10 (commencing with Section 6200) of the Family Code. Nothing in this section shall preclude a plaintiff's right to utilize other existing civil remedies.

(*l*) The Judicial Council shall promulgate forms and instructions therefor, rules for service of process, scheduling of hearings, and any other matters required by this section. The petition and response forms shall be simple and concise.

SEC. 63.7. Section 529 of the Code of Civil Procedure is amended to read:

529. (a) On granting an injunction, the court or judge must require an undertaking on the part of the applicant to the effect that the applicant will pay to the party enjoined any damages, not exceeding an amount to be specified, the party may sustain by reason of the injunction, if the court finally decides that the applicant was not entitled to the injunction. Within five days after the service of the injunction, the person enjoined may object to the undertaking. If the court determines that the applicant's undertaking is insufficient and a sufficient undertaking is not filed within the time required by statute, the order granting the injunction must be dissolved.

(b) This section does not apply to any of the following persons:

(1) Either spouse against the other in a proceeding for legal separation or dissolution of marriage.

(2) The applicant for an order described in Division 10 (commencing with Section 6200) of the Family Code.

(3) A public entity or officer described in Section 995.220.

SEC. 63.8. Section 545.5 of the Code of Civil Procedure is repealed.

SEC. 63.9. Section 547.7 of the Code of Civil Procedure is repealed.

SEC. 64. Section 548 of the Code of Civil Procedure is repealed.

SEC. 65. Section 583.161 of the Code of Civil Procedure is amended to read:

583.161. No petition filed pursuant to Section 2330 of the Family Code shall be dismissed pursuant to this chapter if an order for child

support has been issued in connection with the proceeding and the order has not been (1) terminated by the court or (2) terminated by operation of law pursuant to Sections 3900, 3901, 4007, and 4013 of the Family Code.

SEC. 66. Section 683.130 of the Code of Civil Procedure is amended to read:

683.130. (a) In the case of a lump-sum money judgment or a judgment for possession or sale of property, the application for renewal of the judgment may be filed at any time before the expiration of the 10-year period of enforceability provided by Section 683.020 or, if the judgment is a renewed judgment, at any time before the expiration of the 10-year period of enforceability of the renewed judgment provided by Section 683.120.

(b) Except as otherwise provided in subdivision (c), in the case of a money judgment payable in installments, the application for renewal of the judgment may be filed:

(1) If the judgment has not previously been renewed, at any time as to past due amounts that at the time of filing are not barred by the expiration of the 10-year period of enforceability provided by Sections 683.020 and 683.030.

(2) If the judgment has previously been renewed, within the time specified by subdivision (a) as to the amount of the judgment as previously renewed and, as to any past due amounts that became due and payable after the previous renewal, at any time before the expiration of the 10-year period of enforceability provided by Sections 683.020 and 683.030.

(c) Notwithstanding subdivisions (a) and (b), a judgment for child, family, or spousal support, including a judgment for reimbursement that includes, but is not limited to, reimbursement arising under Section 11350 of the Welfare and Institutions Code or other arrearages, is enforceable as provided in Section 4502 of the Family Code.

SEC. 67. Section 699.560 of the Code of Civil Procedure is amended to read:

699.560. (a) Except as provided in subdivisions (b) and (c), the levying officer to whom the writ of execution is delivered shall return the writ to the court, together with a report of the levying officer's actions and an accounting of amounts collected and costs incurred, at the earliest of the following times:

(1) Two years from the date of issuance of the writ.

(2) Promptly after all of the duties under the writ are performed.

(3) When return is requested in writing by the judgment creditor.

(4) If no levy takes place under the writ within 180 days after its issuance, promptly after the expiration of the 180-day period.

(5) Upon expiration of the time for enforcement of the money judgment.

(b) If a levy has been made under Section 700.200 upon an interest in personal property in the estate of a decedent, the writ shall be returned within the time prescribed in Section 700.200.

(c) If a levy has been made under Section 5103 of the Family Code on the judgment debtor's right to the payment of benefits from an employee pension benefit plan, the writ shall be returned within the time prescribed in that section.

(d) If a levy has been made under the Wage Garnishment Law (Chapter 5 (commencing with Section 706.010)), and the earnings withholding order remains in effect, the writ of execution shall be returned as provided in subdivision (a) and a supplemental return shall be made as provided in Section 706.033.

SEC. 68. Section 704.114 of the Code of Civil Procedure is amended to read:

704.114. (a) Notwithstanding any other provision of law, service of an earnings assignment order for support on any public entity described in Section 704.110, other than the United States government, creates a lien on all employee contributions in the amount necessary to satisfy a support judgment as determined under Section 695.210 to the extent that the judgment remains enforceable.

(b) The public 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 earnings assignment order for support.

(c) Upon receipt of moneys pursuant to this section, the clerk of the court, within 10 days, shall send written notice of the fact to the parties and to the district attorney enforcing any order pursuant to Section 11475.1 of the Welfare and Institutions Code.

(d) Moneys received pursuant to this section are subject to any procedure available to enforce an order for support, but if no enforcement procedure is commenced after 30 days have elapsed from the date the notice of receipt 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 employee.

(e) A court shall not directly or indirectly condition the issuance, modification, or termination of, or condition the terms or conditions of, any order for support upon the making of a request for the return of employee contributions by an employee.

SEC. 69. Section 704.160 of the Code of Civil Procedure is amended to read:

704.160. (a) Except as provided by Chapter 1 (commencing with Section 4900) of Part 3 of Division 4 of the Labor Code, before payment, a claim for workers' compensation or workers' compensation awarded or adjudged is exempt without making a claim. Except as specified in subdivision (b), after payment, the award is exempt.

(b) Notwithstanding any other provision of law, during the payment of workers' compensation temporary disability benefits described in subdivision (a) to a support judgment debtor, the support judgment creditor may, through the appropriate district

attorney, seek to apply the workers' compensation temporary disability benefit payment to satisfy the support judgment as provided by Section 11350.1 of the Welfare and Institutions Code.

(c) Notwithstanding any other provision of law, during the payment of workers' compensation temporary disability benefits described in subdivision (a) to a support judgment debtor under a support judgment, including a judgment for reimbursement of public assistance, the judgment creditor may, directly or through the appropriate district attorney, seek to apply the temporary disability benefit payments to satisfy the support judgment by an earnings assignment order for support, as defined in Section 5208 of the Family Code, or any other applicable enforcement procedure. The amount to be withheld pursuant to the earnings assignment order for support or other enforcement 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 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 an order assigning earnings under this subdivision an amount reflecting the actual cost of administration of this assignment, up to two dollars ($2) for each payment.

(d) Unless the provision or context otherwise requires, the following definitions govern the construction of this section.

(1) "Judgment debtor" or "support judgment debtor" means a person who is owing a duty of support.

(2) "Judgment creditor" or "support judgment creditor" means the person to whom support has been ordered to be paid.

(3) "Support" refers to an obligation owing on behalf of a child, spouse, or family; or an amount owing pursuant to Section 11350 of the Welfare and Institutions Code. It also includes past due support or arrearage when it exists.

SEC. 69.5. Section 917.7 of the Code of Civil Procedure is amended to read:

917.7. The perfecting of an appeal shall not stay proceedings as to those provisions of a judgment or order which award, change, or otherwise affect the custody, including the right of visitation, of a minor child in any civil action, in an action filed under the Juvenile Court Law, or in a special proceeding, or the provisions of a judgment or order for the temporary exclusion of a party from a dwelling, as provided in the Family Code. However, the trial court may in its discretion stay execution of these provisions pending review on appeal or for any other period or periods that it may deem appropriate. Further, in the absence of a writ or order of a reviewing court providing otherwise, the provisions of the judgment or order allowing, or eliminating restrictions against, removal of the minor child from the state are stayed by operation of law for a period of 30 days from the entry of the judgment or order and are subject to any further stays ordered by the trial court, as herein provided.

SEC. 69.7. Section 1219 of the Code of Civil Procedure is amended to read:

1219. (a) Except as provided in subdivisions (b) and (c), when the contempt consists of the omission to perform an act which is yet in the power of the person to perform, he or she may be imprisoned until he or she has performed it, and in that case the act shall be specified in the warrant of commitment.

(b) Notwithstanding any other law, no court may imprison or otherwise confine or place in custody the victim of a sexual assault for contempt when the contempt consists of refusing to testify concerning that sexual assault.

(c) In a finding of contempt for a victim of domestic violence who refuses to testify, the court shall not incarcerate the victim, but may require the victim to attend up to 72 hours of a domestic violence program for victims or require the victim to perform up to 72 hours of appropriate community service, provided that in a subsequent finding of contempt for refusing to testify arising out of the same case, the court shall have the option of incarceration pursuant to subdivision (a).

(d) As used in this section:

(1) "Sexual assault" means any act made punishable by Section 261, 262, 264.1, 285, 286, 288, 288a, or 289 of the Penal Code.

(2) "Domestic violence" means "domestic violence" as defined in Section 6211 of the Family Code.

SEC. 70. Section 1699 of the Code of Civil Procedure is repealed.

SEC. 71. Section 2032 of the Code of Civil Procedure is amended to read:

2032. (a) Any party may obtain discovery, subject to the restrictions set forth in Section 2019, by means of a physical or mental examination of (1) a party to the action, (2) an agent of any party, or (3) a natural person in the custody or under the legal control of a party, in any action in which the mental or physical condition (including the blood group) of that party or other person is in controversy in the action.

(b) A physical examination conducted under this section shall be performed only by a licensed physician or other appropriate licensed health care practitioner. A mental examination conducted under this section shall be performed only by a licensed physician, or by a licensed clinical psychologist who holds a doctoral degree in psychology and has had at least five years of postgraduate experience in the diagnosis of emotional and mental disorders. Nothing in this section affects tests under the Uniform Act on Blood Tests to Determine Paternity (Chapter 2 (commencing with Section 7550) of Part 2 of Division 12 of the Family Code).

(c) (1) As used in this subdivision, plaintiff includes a cross-complainant, and defendant includes a cross-defendant.

(2) In any case in which a plaintiff is seeking recovery for personal injuries, any defendant may demand one physical examination of the plaintiff, provided the examination does not include any diagnostic

test or procedure that is painful, protracted, or intrusive, and is conducted at a location within 75 miles of the residence of the examinee. A defendant may make this demand without leave of court after that defendant has been served or has appeared in the action, whichever occurs first. This demand shall specify the time, place, manner, conditions, scope, and nature of the examination, as well as the identity and the specialty, if any, of the physician who will perform the examination.

(3) A physical examination demanded under this subdivision shall be scheduled for a date that is at least 30 days after service of the demand for it unless on motion of the party demanding the examination the court has shortened this time.

(4) The defendant shall serve a copy of the demand for this physical examination on the plaintiff and on all other parties who have appeared in the action.

(5) The plaintiff to whom this demand for a physical examination has been directed shall respond to the demand by a written statement that the examinee will comply with the demand as stated, will comply with the demand as specifically modified by the plaintiff, or will refuse, for reasons specified in the response, to submit to the demanded physical examination. Within 20 days after service of the demand the plaintiff to whom the demand is directed shall serve the original of the response to it on the defendant making the demand, and a copy of the response on all other parties who have appeared in the action, unless on motion of the defendant making the demand the court has shortened the time for response, or unless on motion of the plaintiff to whom the demand has been directed, the court has extended the time for response.

(6) If a plaintiff to whom this demand for a physical examination has been directed fails to serve a timely response to it, that plaintiff waives any objection to the demand. However, the court, on motion, may relieve that plaintiff from this waiver on its determination that (A) the plaintiff has subsequently served a response that is in substantial compliance with paragraph (5), and (B) the plaintiff's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

The defendant may move for an order compelling response and compliance with a demand for a physical examination. The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel response and compliance with a demand for a physical examination, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a plaintiff then fails to obey the order compelling response and compliance, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction the court may impose a monetary sanction under

Section 2023.

(7) If a defendant who has demanded a physical examination under this subdivision, on receipt of the plaintiff's response to that demand, deems that any modification of the demand, or any refusal to submit to the physical examination is unwarranted, that defendant may move for an order compelling compliance with the demand. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel compliance with a demand for a physical examination, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(8) The demand for a physical examination and the response to it shall not be filed with the court. The defendant shall retain both the original of the demand, with the original proof of service affixed to it, and the original response until six months after final disposition of the action. At that time, the original may be destroyed, unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

(d) If any party desires to obtain discovery by a physical examination other than that described in subdivision (c), or by a mental examination, the party shall obtain leave of court. The motion for the examination shall specify the time, place, manner, conditions, scope, and nature of the examination, as well as the identity and the specialty, if any, of the person or persons who will perform the examination. The motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt to arrange for the examination by an agreement under subdivision (e). Notice of the motion shall be served on the person to be examined and on all parties who have appeared in the action.

The court shall grant a motion for a physical or mental examination only for good cause shown. If a party stipulates that (1) no claim is being made for mental and emotional distress over and above that usually associated with the physical injuries claimed, and (2) no expert testimony regarding this usual mental and emotional distress will be presented at trial in support of the claim for damages, a mental examination of a person for whose personal injuries a recovery is being sought shall not be ordered except on a showing of exceptional circumstances. The order granting a physical or mental examination shall specify the person or persons who may perform the examination, and the time, place, manner, diagnostic tests and procedures, conditions, scope, and nature of the examination. If the place of the examination is more than 75 miles from the residence of the person to be examined, the order to submit to it shall be (1) made only on the court's determination that there is good cause for the travel involved, and (2) conditioned on the

advancement by the moving party of the reasonable expenses and costs to the examinee for travel to the place of examination.

(e) In lieu of the procedures and restrictions specified in subdivisions (c) and (d), any physical or mental examination may be arranged by, and carried out under, a written agreement of the parties.

(f) If a party required by subdivision (c), (d), or (e) to submit to a physical or mental examination fails to do so, the court, on motion of the party entitled to the examination, may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may, on motion of the party, impose a monetary sanction under Section 2023.

If a party required by subdivision (c), (d), or (e) to produce another for a physical or mental examination fails to do so, the court, on motion of the party entitled to the examination, may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023, unless the party failing to comply demonstrates an inability to produce that person for examination. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(g) (1) The attorney for the examinee or for a party producing the examinee, or that attorney's representative, shall be permitted to attend and observe any physical examination conducted for discovery purposes, and to record stenographically or by audiotape any words spoken to or by the examinee during any phase of the examination. This observer may monitor the examination, but shall not participate in or disrupt it. If an attorney's representative is to serve as the observer, the representative shall be authorized to so act by a writing subscribed by the attorney which identifies the representative.

If in the judgment of the observer the examiner becomes abusive to the examinee or undertakes to engage in unauthorized diagnostic tests and procedures, the observer may suspend it to enable the party being examined or producing the examinee to make a motion for a protective order. If the observer begins to participate in or disrupt the examination, the person conducting the physical examination may suspend the examination to enable the party at whose instance it is being conducted to move for a protective order.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If the examinee submits or authorizes access to X-rays of any area of his or her body for inspection by the examining physician, no additional X-rays of that area may be taken by the examining physician except with consent of the examinee or on order of the

court for good cause shown.

(2) The examiner and examinee shall have the right to record a mental examination on audio tape. However, nothing in this article shall be construed to alter, amend, or affect existing case law with respect to the presence of the attorney for the examinee or other persons during the examination by agreement or court order.

(h) If a party submits to, or produces another for, a physical or mental examination in compliance with a demand under subdivision (c), an order of court under subdivision (d), or an agreement under subdivision (e), that party has the option of making a written demand that the party at whose instance the examination was made deliver to the demanding party (1) a copy of a detailed written report setting out the history, examinations, findings, including the results of all tests made, diagnoses, prognoses, and conclusions of the examiner, and (2) a copy of reports of all earlier examinations of the same condition of the examinee made by that or any other examiner. If this option is exercised, a copy of these reports shall be delivered within 30 days after service of the demand, or within 15 days of trial, whichever is earlier. The protection for work product under Section 2018 is waived, both for the examiner's writings and reports and to the taking of the examiner's testimony.

If the party at whose instance the examination was made fails to make a timely delivery of the reports demanded, the demanding party may move for an order compelling their delivery. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of any issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel delivery of medical reports, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling delivery of demanded medical reports, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to those sanctions, the court may impose a monetary sanction under Section 2023. The court shall exclude at trial the testimony of any examiner whose report has not been provided by a party.

(i) By demanding and obtaining a report of a physical or mental examination under subdivision (h), or by taking the deposition of the examiner, other than under subdivision (i) of Section 2034, the party who submitted to, or produced another for, a physical or mental examination waives in the pending action, and in any other action involving the same controversy, any privilege, as well as any protection for work product under Section 2018, that the party or other examinee may have regarding reports and writings as well as

the testimony of every other physician, psychologist, or licensed health care practitioner who has examined or may thereafter examine the party or other examinee in respect of the same physical or mental condition.

(j) A party receiving a demand for a report under subdivision (h) is entitled at the time of compliance to receive in exchange a copy of any existing written report of any examination of the same condition by any other physician, psychologist, or licensed health care practitioner. In addition, that party is entitled to receive promptly any later report of any previous or subsequent examination of the same condition, by any physician, psychologist, or licensed health care practitioner.

If a party who has demanded and received delivery of medical reports under subdivision (h) fails to deliver existing or later reports of previous or subsequent examinations, a party who has complied with subdivision (h) may move for an order compelling delivery of medical reports. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel delivery of medical reports, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling delivery of medical reports, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to the sanction, the court may impose a monetary sanction under Section 2023. The court shall exclude at trial the testimony of any health care practitioner whose report has not been provided by a party ordered to do so by the court.

(k) Nothing in this section shall require the disclosure of the identity of an expert consulted by an attorney in order to make the certification required in an action for professional negligence under Sections 411.30 and 411.35.

SEC. 72. Section 22253 of the Education Code is amended to read:

22253. A member's election of disability or death benefit coverage shall meet all of the following requirements:

(a) The member is eligible to participate in the election pursuant to Section 22252.

(b) The election is filed on a form provided by the system.

(c) Except as provided in Section 22253.5, the election document contains the signature of the spouse of the member, unless the member declares, in writing, under penalty of perjury, that one of the following conditions exists:

(1) The member does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse.

(2) The spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition.

(3) The member and spouse have executed a marriage settlement agreement pursuant to Part 5 (commencing with Section 1500) of Division 4 of the Family Code which makes the community property law inapplicable to the marriage.

(4) The member is not married.

(5) The current spouse has no identifiable community property interest in future benefits.

(d) The election document is signed and dated during the 180-day election period specified in Section 22251.

(e) The signatures of the member and the member's spouse on the election document are witnessed by a third party who is at least 18 years of age.

(f) The election document is received in the system's office in Sacramento within 30 days after the date of signature but no later than May 1, 1993.

SEC. 73. Section 22253.5 of the Education Code is amended to read:

22253.5. If a spouse refuses to sign the election document, the member may bring an action in court to enforce the spousal signature requirement or to waive the spousal signature requirement. Either party may bring an action pursuant to Section 1101 of the Family Code to determine the rights of the party.

SEC. 74. Section 22401.6 of the Education Code is amended to read:

22401.6. (a) Except as provided in Section 22401.7, the signature of the spouse of a member or retirant shall be required on any application for, or cancellation of, an unmodified allowance, the election or cancellation of an option, request for a refund of the member's accumulated retirement contributions or accumulated annuity deposit contributions, or other requests related to the selection of benefits by a member or retirant in which a spousal interest may be present, unless the member or retirant declares, in writing, under penalty of perjury, that one of the following conditions exists:

(1) The member or retirant does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse.

(2) The spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition.

(3) The member or retirant and spouse have executed a marriage settlement agreement pursuant to Part 5 (commencing with Section 1500) of Division 4 of the Family Code which makes the community property law inapplicable to the marriage.

(4) The member or retirant is not married.

(5) The current spouse has no identifiable community property interest in the benefit.

(b) This section is not applicable to an application for a disability allowance.

(c) The sole purpose of this section is to provide for spousal protection in the selection of specified benefits made by a member or retirant.

SEC. 75. Section 22401.7 of the Education Code is amended to read:

22401.7. If a spouse refuses to sign an application, as set forth in Section 22401.6, the member or retirant may bring an action in court to enforce the spousal signature requirement or to waive the spousal signature requirement. Either party may bring an action pursuant to Section 1101 of the Family Code to determine the rights of the party.

SEC. 76. Section 621.1 of the Evidence Code is repealed.

SEC. 77. Section 895.5 of the Evidence Code is repealed.

SEC. 77.3. Section 1037.7 of the Evidence Code, as amended by Section 71 of Chapter 163 of the Statutes of 1992, is repealed.

SEC. 77.4. Section 1037.7 is added to the Evidence Code, to read:

1037.7. As used in this article, "domestic violence" means "domestic violence" as defined in Section 6211 of the Family Code.

SEC. 77.5. Section 1107 of the Evidence Code is amended to read:

1107. (a) In a criminal action, expert testimony is admissible by either the prosecution or the defense regarding battered women's syndrome, including the physical, emotional, or mental effects upon the beliefs, perceptions, or behavior of victims of domestic violence, except when offered against a criminal defendant to prove the occurrence of the act or acts of abuse which form the basis of the criminal charge.

(b) The foundation shall be sufficient for admission of this expert testimony if the proponent of the evidence establishes its relevancy and the proper qualifications of the expert witness. Expert opinion testimony on battered women's syndrome shall not be considered a new scientific technique whose reliability is unproven.

(c) For purposes of this section, "abuse" is defined in Section 6203 of the Family Code and "domestic violence" is defined in Section 6211 of the Family Code.

(d) This section is intended as a rule of evidence only and no substantive change affecting the Penal Code is intended.

SEC. 77.7. Section 1152.5 of the Evidence Code is amended to read:

1152.5. (a) Subject to the conditions and exceptions provided in this section, when persons agree to conduct and participate in a mediation for the purpose of compromising, settling, or resolving a dispute:

(1) Evidence of anything said or of any admission made in the course of the mediation 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 can be compelled to be given.

(2) Unless the document otherwise provides, no document prepared for the purpose of, or in the course of, or pursuant to, the mediation, or copy thereof, is admissible in evidence, and disclosure of any such document shall not be compelled, in any civil action in

which, pursuant to law, testimony can be compelled to be given.

(b) Subdivision (a) does not limit the admissibility of evidence if all persons who conducted or otherwise participated in the mediation consent to its disclosure.

(c) This section does not apply unless, before the mediation begins, the persons who agree to conduct and participate in the mediation execute an agreement in writing that sets out the text of subdivisions (a) and (b) and states that the persons agree that this section shall apply to the mediation.

(d) This section does not apply where the admissibility of the evidence is governed by Section 1818 or 3177 of the Family Code.

(e) Nothing in this section makes admissible evidence that is inadmissible under Section 1152 or any other statutory provision, including, but not limited to, the sections listed in subdivision (d). Nothing in this section limits the confidentiality provided pursuant to Section 65 of the Labor Code.

(f) Paragraph (2) of subdivision (a) does not limit either of the following:

(1) The admissibility of the agreement referred to in subdivision (c).

(2) The effect of an agreement not to take a default in a pending civil action.

SEC. 78. Section 2 of the Family Code is amended to read:

2. A provision of this code, insofar as it is substantially the same as a previously existing provision relating to the same subject matter, shall be considered as a restatement and continuation thereof and not as a new enactment, and a reference in a statute to the provision of this code shall be deemed to include a reference to the previously existing provision unless a contrary intent appears.

SEC. 78.5. Section 55 of the Family Code is repealed.

SEC. 78.7. Section 57 of the Family Code is repealed.

SEC. 79. Section 58 is added to the Family Code, to read:

58. "Child for whom support may be ordered" means a minor child and a child for whom support is authorized under Section 3587, 3901, or 3910.

SEC. 79.1. Section 60 of the Family Code is repealed.

SEC. 79.3. Section 63 is added to the Family Code, to read:

63. "Community estate" includes both community property and quasi-community property.

SEC. 79.5. Section 70 of the Family Code is repealed.

SEC. 79.7. Section 75 of the Family Code is repealed.

SEC. 80. Section 105 is added to the Family Code, to read:

105. "Person" includes a natural person, firm, association, organization, partnership, business trust, corporation, or public entity.

SEC. 81. Section 110 is added to the Family Code, to read:

110. "Proceeding" includes an action.

SEC. 82. Section 150 of the Family Code is amended to read:

150. "Support" refers to a support obligation owing on behalf of

a child, spouse, or family, or an amount owing pursuant to Section 11350 of the Welfare and Institutions Code. It also includes past due support or arrearage when it exists. "Support," when used with reference to a minor child or a child described in Section 3901, includes maintenance and education.

SEC. 83. Section 213 of the Family Code is amended to read:

213. (a) 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.

(b) This section applies in any of the following proceedings:

(1) A proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties.

(2) A proceeding relating to a protective order described in Section 6218.

(3) Any other proceeding in which there is at issue the visitation, custody, or support of a child.

SEC. 84. Section 215 of the Family Code is amended to read:

215. After entry of a judgment of dissolution of marriage, nullity of marriage, or legal separation of the parties, or after a permanent order in any other proceeding in which there was at issue the visitation, custody, or support of a child, no modification of the judgment or order, and no subsequent order in the proceedings, is valid unless any prior notice otherwise required to be given to a party to the proceeding is served, in the same manner as the notice is otherwise permitted by law to be served, upon the party. For the purposes of this section, service upon the attorney of record is not sufficient.

SEC. 84.5. Section 231 of the Family Code is amended to read:

231. This part applies to a temporary restraining order in a summons issued under any of the following provisions:

(a) Section 2040 (proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties).

(b) Section 7700 (proceeding under Uniform Parentage Act).

SEC. 84.7. The heading of Part 4 (commencing with Section 240) of Division 2 of the Family Code is amended to read:

PART 4. EX PARTE TEMPORARY RESTRAINING ORDERS

SEC. 85. Section 240 of the Family Code is repealed.

SEC. 85.1. Section 240 is added to the Family Code, to read:

240. This part applies where a temporary restraining order, including a protective order as defined in Section 6218, is issued under any of the following provisions:

(a) Article 2 (commencing with Section 2045) of Chapter 4 of Part 1 of Division 6 (dissolution of marriage, nullity of marriage, or legal separation of the parties).

(b) Article 3 (commencing with Section 4620) of Chapter 3 of Part 5 of Division 9 (deposit of assets to secure future child support payments).

(c) Article 1 (commencing with Section 6320) of Chapter 2 of Part 4 of Division 10 (Domestic Violence Prevention Act).

(d) Article 2 (commencing with Section 7710) of Chapter 6 of Part 3 of Division 12 (Uniform Parentage Act).

SEC. 85.2. Section 241 of the Family Code is amended to read:

241. Except as provided in Section 6300, an order described in Section 240 may not be granted without notice to the respondent unless it appears from facts shown by the affidavit in support of the application for the order, or in the application for the order, that great or irreparable injury would result to the applicant before the matter can be heard on notice.

SEC. 85.3. Section 242 of the Family Code is repealed.

SEC. 85.4. Section 242 is added to the Family Code, to read:

242. (a) Except as provided in subdivision (b), if an order described in Section 240 is issued, the matter shall be made returnable on an order requiring cause to be shown why a permanent order should not be granted, on the earliest day that the business of the court will permit, but not later than 20 days or, if good cause appears to the court, 25 days from the date of the order.

(b) If a hearing is not held within the time provided in subdivision (a), the court may nonetheless hear the matter, but the order is unenforceable unless reissued under Section 245.

SEC. 85.5. Section 243 of the Family Code is amended to read:

243. (a) When the matter first comes up for hearing, the applicant must be ready to proceed.

(b) If an order described in Section 240 has been issued without notice pending the hearing, the applicant must have served on the respondent, at least two days before the hearing, a copy of each of the following:

(1) The order to show cause.

(2) The application and the affidavits and points and authorities in support of the application.

(3) Any other supporting papers filed with the court.

(c) If the applicant fails to comply with subdivisions (a) and (b), the court shall dissolve the order.

(d) If service is made under subdivision (b), the respondent is entitled, as of course, to one continuance for a reasonable period, to respond to the application for the order.

(e) On motion of the applicant or on its own motion, the court may shorten the time provided in this section for service on the respondent.

(f) The respondent may, in response to the order to show cause, present affidavits relating to the granting of the order, and if the affidavits are served on the applicant at least two days before the hearing, the applicant is not entitled to a continuance on account of the affidavits.

SEC. 86. Part 5 (commencing with Section 270) of Division 2 of the Family Code is repealed.

SEC. 87. Part 5 (commencing with Section 270) of Division 2 is added to the Family Code, to read:

PART 5. ATTORNEY'S FEES AND COSTS

270. If a court orders a party to pay attorney's fees or costs under this code, the court shall first determine that the party has or is reasonably likely to have the ability to pay.

271. (a) Notwithstanding any other provision of this code, the court may base an award of attorney's fees and costs on the extent to which the conduct of each party or attorney furthers or frustrates the policy of the law to promote settlement of litigation and, where possible, to reduce the cost of litigation by encouraging cooperation between the parties and attorneys. An award of attorney's fees and costs pursuant to this section is in the nature of a sanction. In making an award pursuant to this section, the court shall take into consideration all evidence concerning the parties' incomes, assets, and liabilities. The court shall not impose a sanction pursuant to this section that imposes an unreasonable financial burden on the party against whom the sanction is imposed. In order to obtain an award under this section, the party requesting an award of attorney's fees and costs is not required to demonstrate any financial need for the award.

(b) An award of attorney's fees and costs as a sanction pursuant to this section shall be imposed only after notice to the party against whom the sanction is proposed to be imposed and opportunity for that party to be heard.

(c) An award of attorney's fees and costs as a sanction pursuant to this section is payable only from the property or income of the party against whom the sanction is imposed, except that the award may be against the sanctioned party's share of the community property.

272. (a) Where the court orders one of the parties to pay attorney's fees and costs for the benefit of the other party, the fees and costs may, in the discretion of the court, be made payable in whole or in part to the attorney entitled thereto.

(b) Subject to subdivision (c), the order providing for payment of the attorney's fees and costs may be enforced directly by the attorney in the attorney's own name or by the party in whose behalf the order was made.

(c) If the attorney has ceased to be the attorney for the party in whose behalf the order was made, the attorney may enforce the order only if it appears of record that the attorney has given to the former client or successor counsel 10 days' written notice of the application for enforcement of the order. During the 10-day period, the client may file in the proceeding a motion directed to the former attorney for partial or total reallocation of fees and costs to cover the services and cost of successor counsel. On the filing of the motion, the

enforcement of the order by the former attorney shall be stayed until the court has resolved the motion.

SEC. 88. Section 300 of the Family Code is amended to read:

300. Marriage is a personal relation arising out of a civil contract between a man and a woman, to which the consent of the parties capable of making that contract is necessary. Consent alone does not constitute marriage. Consent must be followed by the issuance of a license and solemnization as authorized by this division, except as provided by Section 425 and Part 4 (commencing with Section 500).

SEC. 89. Section 306 of the Family Code is amended to read:

306. Except as provided in Section 307, a marriage shall be licensed, solemnized, and authenticated, and the certificate of registry of marriage shall be returned as provided in this part. Noncompliance with this part by a nonparty to the marriage does not invalidate the marriage.

SEC. 90. Section 307 of the Family Code is amended to read:

307. This division, so far as it relates to the solemnizing of marriage, is not applicable to members of a 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 to the marriage make, sign, and endorse on 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 signatures and places of residence of two witnesses to the ceremony.

(3) The religious society or denomination of the parties to the marriage, 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 to 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 returned to the county recorder of the county in which the license was issued within 30 days after the ceremony.

SEC. 91. Section 357 of the Family Code is amended to read:

357. (a) The county clerk shall number each marriage license issued and shall transmit at periodic intervals to the county recorder a list or copies of the licenses issued.

(b) Not later than 60 days after the date of issuance, the county recorder shall notify licenseholders whose certificate of registry has not been returned of that fact and that the marriage license will automatically expire on the date shown on its face.

(c) The county recorder shall notify the licenseholders of the obligation of the person solemnizing their marriage to return the certificate of registry and endorsed license to the recorder's office

within 30 days after the ceremony.

SEC. 92. Section 359 of the Family Code is amended to read:

359. (a) Applicants for a marriage license shall obtain from the county clerk issuing the license, a certificate of registry of marriage.

(b) The contents of the certificate of registry are as provided in Division 9 (commencing with Section 10000) of the Health and Safety Code.

(c) The certificate of registry shall be filled out by the applicants, in the presence of the county clerk issuing the marriage license, and shall be presented to the person solemnizing the marriage.

(d) The person solemnizing the marriage shall complete the certificate of registry and shall cause to be entered on the certificate of registry the signature and address of one witness to the marriage ceremony.

(e) The certificate of registry shall be returned by the person solemnizing the marriage to the county recorder of the county in which the license was issued within 30 days after the ceremony.

(f) As used in this division, "returned" means presented to the appropriate person in person, or postmarked, before the expiration of the specified time period.

SEC. 93. Section 360 of the Family Code is amended to read:

360. (a) If a certificate of registry of marriage is lost or destroyed after the marriage ceremony but before it is returned to the county recorder, the person solemnizing the marriage, in order to comply with Section 359, shall obtain a duplicate certificate of registry by filing an affidavit setting forth the facts with the county clerk of the county in which the license was issued.

(b) The duplicate certificate of registry may not be issued later than one year after issuance of the original license and shall be returned by the person solemnizing the marriage to the county recorder within 30 days after issuance.

(c) The fee for issuing the duplicate marriage license and certificate of registry is five dollars ($5).

SEC. 94. Section 420 of the Family Code is amended to read:

420. (a) No particular form for the ceremony of marriage is required for solemnization of the marriage, but the parties shall declare, in the presence of the person solemnizing the marriage and necessary witnesses, that they take each other as husband and wife.

(b) No contract of marriage, if otherwise duly made, shall be invalidated for want of conformity to the requirements of any religious sect.

SEC. 95. Section 422 of the Family Code is amended to read:

422. The person solemnizing a marriage shall make, sign, and endorse upon or attach to the marriage license a statement, in the form prescribed by the State Department of Health Services, showing all of the following:

(a) The fact, date (month, day, year), and place (city and county) of solemnization.

(b) The names and places of residence of one or more witnesses

to the ceremony.

(c) The official position of the person solemnizing the marriage, or of the denomination of which that person is a priest, minister, rabbi, or member of the clergy.

(d) The person solemnizing the marriage shall also type or print the person's name and address.

SEC. 96. Section 423 of the Family Code is amended to read:

423. The person solemnizing the marriage shall return the marriage license, endorsed as required in Section 422, to the county recorder of the county in which the license was issued within 30 days after the ceremony.

SEC. 97. Section 425 of the Family Code is amended to read:

425. If no record of the solemnization of a marriage previously contracted is 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 returned to the county recorder of the county in which the license was issued.

SEC. 98. Section 506 of the Family Code is amended to read:

506. (a) The confidential marriage license shall be presented to the person solemnizing the marriage.

(b) Upon performance of the ceremony, the confidential marriage certificate shall be filled out by the parties to the marriage and authenticated by the person solemnizing the marriage.

(c) The certificate shall be returned by the person solemnizing the marriage to the office of the county clerk in the county in which the license was issued within 30 days after the ceremony.

SEC. 99. Section 510 of the Family Code is amended to read:

510. (a) If a confidential marriage certificate is lost, damaged, or destroyed after the performance of the marriage and before it is returned, the county clerk may issue a replacement upon the payment of a fee of five dollars ($5).

(b) The duplicate license may not be issued later than one year after issuance of the original license and shall be returned by the person solemnizing the marriage to the county clerk within 30 days after issuance.

SEC. 99.5. Section 753 of the Family Code is amended to read:

753. Notwithstanding Section 752 and except as provided in Article 2 (commencing with Section 2045), Article 3 (commencing with Section 2047), or Article 4 (commencing with Section 2049) of Chapter 4 of Part 1 of Division 6, neither spouse may be excluded from the other's dwelling.

SEC. 100. Section 853 of the Family Code is amended to read:

853. (a) A statement in a will of the character of property is not admissible as evidence of a transmutation of the property in a proceeding commenced before the death of the person who made the will.

(b) A waiver of a right to a joint and survivor annuity or survivor's benefits under the federal Retirement Equity Act of 1984 (Public

Law 98-397) is not a transmutation of the community property rights of the person executing the waiver.

(c) A written joinder or written consent to a nonprobate transfer of community property on death that satisfies Section 852 is a transmutation and is governed by the law applicable to transmutations and not by Chapter 2 (commencing with Section 5010) of Part 1 of Division 5 of the Probate Code.

SEC. 100.3. Section 901 of the Family Code is repealed.

SEC. 100.4. Section 914 of the Family Code is amended to read:

914. (a) Notwithstanding Section 913, a married person is personally liable for the following debts incurred by the person's spouse during marriage:

(1) A debt incurred for necessaries of life of the person's spouse while the spouses are living together.

(2) Except as provided in Section 4302, a debt incurred for common necessaries of life of the person's spouse while the spouses are living separately.

(b) The separate property of a married person may be applied to the satisfaction of a debt for which the person is personally liable pursuant to this section. If separate property is so applied at a time when nonexempt property in the community estate or separate property of the person's spouse is available but is not applied to the satisfaction of the debt, the married person is entitled to reimbursement to the extent such property was available.

SEC. 100.5. Section 915 of the Family Code is amended to read:

915. (a) For the purpose of this part, a child or spousal support obligation of a married person that does not arise out of the marriage shall be treated as a debt incurred before marriage, regardless of whether a court order for support is made or modified before or during marriage and regardless of whether any installment payment on the obligation accrues before or during marriage.

(b) If property in the community estate is applied to the satisfaction of a child or spousal support obligation of a married person that does not arise out of the marriage, at a time when nonexempt separate income of the person is available but is not applied to the satisfaction of the obligation, the community estate is entitled to reimbursement from the person in the amount of the separate income, not exceeding the property in the community estate so applied.

(c) Nothing in this section limits the matters a court may take into consideration in determining or modifying the amount of a support order, including, but not limited to, the earnings of the spouses of the parties.

SEC. 100.6. Section 930 of the Family Code is amended to read:

930. Except as otherwise provided by statute, this part governs the liability of separate property and property in the community estate and the personal liability of a married person for a debt enforced on or after January 1, 1985, regardless of whether the debt was incurred before, on, or after that date.

SEC. 100.7. Section 1000 of the Family Code is amended to read:

1000. (a) A married person is not liable for any injury or damage caused by the other spouse except in cases where the married person would be liable therefor if the marriage did not exist.

(b) The liability of a married person for death or injury to person or property shall be satisfied as follows:

(1) If the liability of the married person is based upon an act or omission which occurred while the married person was performing an activity for the benefit of the community, the liability shall first be satisfied from the community estate and second from the separate property of the married person.

(2) If the liability of the married person is not based upon an act or omission which occurred while the married person was performing an activity for the benefit of the community, the liability shall first be satisfied from the separate property of the married person and second from the community estate.

(c) This section does not apply to the extent the liability is satisfied out of proceeds of insurance for the liability, whether the proceeds are from property in the community estate or from separate property. Notwithstanding Section 920, no right of reimbursement under this section shall be exercised more than seven years after the spouse in whose favor the right arises has actual knowledge of the application of the property to the satisfaction of the debt.

SEC. 100.8. Section 1100 of the Family Code is amended to read:

1100. (a) Except as provided in subdivisions (b), (c), and (d) and Sections 761 and 1103, either spouse has the management and control of the community personal property, whether acquired prior to or on or after January 1, 1975, with like absolute power of disposition, other than testamentary, as the spouse has of the separate estate of the spouse.

(b) A spouse may not make a gift of community personal property, or dispose of community personal property for less than fair and reasonable value, without the written consent of the other spouse. This subdivision does not apply to gifts mutually given by both spouses to third parties and to gifts given by one spouse to the other spouse.

(c) A spouse may not sell, convey, or encumber community personal property used as the family dwelling, or the furniture, furnishings, or fittings of the home, or the clothing or wearing apparel of the other spouse or minor children which is community personal property, without the written consent of the other spouse.

(d) Except as provided in subdivisions (b) and (c), and in Section 1102, a spouse who is operating or managing a business or an interest in a business that is all or substantially all community personal property has the primary management and control of the business or interest. Primary management and control means that the managing spouse may act alone in all transactions but shall give prior written notice to the other spouse of any sale, lease, exchange, encumbrance, or other disposition of all or substantially all of the

personal property used in the operation of the business (including personal property used for agricultural purposes), whether or not title to that property is held in the name of only one spouse. Written notice is not, however, required when prohibited by the law otherwise applicable to the transaction.

Remedies for the failure by a managing spouse to give prior written notice as required by this subdivision are only as specified in Section 1101. A failure to give prior written notice shall not adversely affect the validity of a transaction nor of any interest transferred.

(e) Each spouse shall act with respect to the other spouse in the management and control of the community assets and liabilities in accordance with the general rules governing fiduciary relationships which control the actions of persons having relationships of personal confidence as specified in Section 721, until such time as the assets and liabilities have been divided by the parties or by a court. This duty includes the obligation to make full disclosure to the other spouse of all material facts and information regarding the existence, characterization, and valuation of all assets in which the community has or may have an interest and debts for which the community is or may be liable, and to provide equal access to all information, records, and books that pertain to the value and character of those assets and debts, upon request.

SEC. 101. Section 1102 of the Family Code is amended to read:

1102. (a) Except as provided in Sections 761 and 1103, either spouse has the management and control of the community real property, whether acquired prior to or on or after January 1, 1975, but both spouses, either personally or by a duly authorized agent, must join in executing any instrument by which that community real property or any interest therein is leased for a longer period than one year, or is sold, conveyed, or encumbered.

(b) Nothing in this section shall be construed to apply to a lease, mortgage, conveyance, or transfer of real property or of any interest in real property between husband and wife.

(c) Notwithstanding subdivision (b):

(1) The sole lease, contract, mortgage, or deed of the husband, holding the record title to community real property, to a lessee, purchaser, or encumbrancer, in good faith without knowledge of the marriage relation, shall be presumed to be valid if executed prior to January 1, 1975.

(2) The sole lease, contract, mortgage, or deed of either spouse, holding the record title to community real property to a lessee, purchaser, or encumbrancer, in good faith without knowledge of the marriage relation, shall be presumed to be valid if executed on or after January 1, 1975.

(d) No action to avoid any instrument mentioned in this section, affecting any property standing of record in the name of either spouse alone, executed by the spouse alone, shall be commenced after the expiration of one year from the filing for record of that instrument in the recorder's office in the county in which the land

is situated.

(e) Nothing in this section precludes either spouse from encumbering his or her interest in community real property, as provided in Section 2033, to pay reasonable attorney's fees in order to retain or maintain legal counsel in a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties.

SEC. 101.5. Section 1816 of the Family Code is amended to read:

1816. (a) Supervising and associate counselors and mediators described in Section 3164 shall participate in programs of continuing instruction in domestic violence, including child abuse, as may be arranged and provided to them. This training may utilize domestic violence training programs conducted by nonprofit community organizations with an expertise in domestic violence issues.

(b) Areas of instruction shall include, but are not limited to, the following:

(1) The effects of domestic violence on children.

(2) The nature and extent of domestic violence.

(3) The social and family dynamics of domestic violence.

(4) Techniques for identifying and assisting families affected by domestic violence.

(5) Interviewing, documentation of, and appropriate recommendations for families affected by domestic violence.

(6) The legal rights of, and remedies available to, victims.

(7) Availability of community and legal domestic violence resources.

(c) The Judicial Council shall solicit the assistance of community organizations concerned with domestic violence and shall seek to develop a training program that will maximize coordination between conciliation courts and local agencies concerned with domestic violence.

SEC. 102. Section 1839 of the Family Code is amended to read:

1839. (a) At or after the hearing, the court may make orders in respect to the conduct of the spouses or parents and the subject matter of the controversy that the court deems necessary to preserve the marriage or to implement the reconciliation of the spouses. No such order shall be effective for more than 30 days from the hearing of the petition unless the parties mutually consent to a continuation of the time the order remains effective.

(b) A reconciliation agreement between the parties may be reduced to writing and, with the consent of the parties, a court order may be made requiring the parties to comply fully with the agreement.

(c) During the pendency of a proceeding under this part, the superior court may order the husband or wife, or father or mother, as the case may be, to pay an amount necessary for the support and maintenance of the wife or husband and for the support, maintenance, and education of the minor children, as the case may be. In determining the amount, the superior court may take into consideration the recommendations of a financial referee if one is

available to the court. An order made pursuant to this subdivision shall not prejudice the rights of the parties or children with respect to any subsequent order which may be made. An order made pursuant to this subdivision may be modified or terminated at any time except as to an amount that accrued before the date of filing of the notice of motion or order to show cause to modify or terminate.

SEC. 102.5. Section 1850 of the Family Code is amended to read:

1850. The Judicial Council shall do all of the following:

(a) Assist counties in implementing mediation and conciliation proceedings under this code.

(b) Establish and implement a uniform statistical reporting system relating to proceedings brought for dissolution of marriage, for nullity of marriage, or for legal separation of the parties, including, but not limited to, a custody disposition survey.

(c) Administer a program of grants to public and private agencies submitting proposals for research, study, and demonstration projects in the area of family law, including, but not limited to, all of the following:

(1) The development of conciliation and mediation and other newer dispute resolution techniques, particularly as they relate to child custody and to avoidance of litigation.

(2) The establishment of criteria to ensure that a child support order is adequate.

(3) The development of methods to ensure that a child support order is paid.

(4) The study of the feasibility and desirability of guidelines to assist judges in making custody decisions.

(d) Administer a program for the training of court personnel involved in family law proceedings, which shall be available to the court personnel and which shall be totally funded from funds specified in Section 1852. The training shall include, but not be limited to, the order of preference for custody of minor children and the meaning of the custody arrangements under Part 2 (commencing with Section 3020) of Division 8.

(e) Conduct research on the effectiveness of current family law for the purpose of shaping future public policy.

SEC. 103. Section 2010 of the Family Code is amended to read:

2010. In a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties, the court has jurisdiction to inquire into and render any judgment and make orders that are appropriate concerning the following:

(a) The status of the marriage.

(b) The custody of minor children of the marriage.

(c) The support of children for whom support may be ordered.

(d) The support of either party.

(e) The settlement of the property rights of the parties.

(f) The award of attorney's fees and costs.

SEC. 104. Section 2023 of the Family Code is amended to read:

2023. (a) On a determination that payment of an obligation of a

party would benefit either party or a child for whom support may be ordered, the court may order one of the parties to pay the obligation, or a portion thereof, directly to the creditor.

(b) The creditor has no right to enforce the order made under this section, nor are the creditor's rights affected by the determination made under this section.

SEC. 105. Section 2024 of the Family Code is amended to read:

2024. (a) A petition for dissolution of marriage, nullity of marriage, or legal separation of the parties, or a joint petition for summary dissolution of marriage, shall contain the following notice:

"Please review your will, insurance policies, retirement benefit plans, credit cards, other credit accounts and credit reports, and other matters that you may want to change in view of the dissolution or annulment of your marriage, or your legal separation. However, some changes may require the agreement of your spouse or a court order (see Part 3 (commencing with Section 231) of Division 2 of the Family Code). Dissolution or annulment of your marriage may automatically change a disposition made by your will to your former spouse."

(b) A judgment for dissolution of marriage, for nullity of marriage, or for legal separation of the parties shall contain the following notice:

"Please review your will, insurance policies, retirement benefit plans, credit cards, other credit accounts and credit reports, and other matters that you may want to change in view of the dissolution or annulment of your marriage, or your legal separation. Dissolution or annulment of your marriage may automatically change a disposition made by your will to your former spouse."

SEC. 106. Chapter 4 (commencing with Section 2030) of Part 1 of Division 6 of the Family Code is repealed.

SEC. 106.1. Chapter 3.5 (commencing with Section 2030) is added to Part 1 of Division 6 of the Family Code, to read:

CHAPTER 3.5. ATTORNEY'S FEES AND COSTS

2030. (a) During the pendency of a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties, the court may, upon (1) determining an ability to pay and (2) consideration of the respective incomes and needs of the parties in order to ensure that each party has access to legal representation to preserve all of the party's rights, order any party, except a governmental entity, to pay the amount reasonably necessary for attorney's fees and for the cost of maintaining or defending the proceeding. From time to time and before entry of judgment, the court may augment or modify the original award for attorney's fees and costs as may be reasonably necessary for the prosecution or defense of the proceeding or any proceeding related thereto,

including after any appeal has been concluded.

(b) Attorney's fees and costs within this section may be awarded for legal services rendered or costs incurred before or after the commencement of the proceeding.

(c) For services rendered or costs incurred after entry of judgment, the court may award the attorney's fees and costs reasonably necessary to maintain or defend any subsequent proceeding, and may augment or modify an award so made, including after an appeal has been concluded.

(d) Any order requiring a party who is not the spouse of another party to the proceeding to pay attorney's fees or costs shall be limited to an amount reasonably necessary to maintain or defend the action on the issues relating to that party.

2031. (a) Except as provided in subdivision (b), during the pendency of a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties, an application for a temporary order making, augmenting, or modifying an award of attorney's fees or costs or both shall be made by motion on notice or by an order to show cause.

(b) An order described in subdivision (a) may be made without notice by an oral motion in open court at either of the following times:

(1) At the time of the hearing of the cause on the merits.

(2) At any time before entry of judgment against a party whose default has been entered pursuant to Section 585 or 586 of the Code of Civil Procedure.

2032. (a) The court may make an award of attorney's fees and costs under Section 2030 or 2031 where the making of the award, and the amount of the award, are just and reasonable under the relative circumstances of the respective parties.

(b) In determining what is just and reasonable under the relative circumstances, the court shall take into consideration the need for the award to enable each party, to the extent practical, to have sufficient financial resources to present the party's case adequately, taking into consideration, to the extent relevant, the circumstances of the respective parties described in Section 4320. The fact that the party requesting an award of attorney's fees and costs has resources from which the party could pay the party's own attorney's fees and costs is not itself a bar to an order that the other party pay part or all of the fees and costs requested. Financial resources are only one factor for the court to consider in determining how to apportion the overall cost of the litigation equitably between the parties under their relative circumstances.

(c) The court may order payment of an award of attorney's fees and costs from any type of property, whether community or separate, principal or income.

(d) Either party may, at any time before the hearing of the cause on the merits, on noticed motion, request the court to make a finding that the case involves complex or substantial issues of fact or law

related to property rights, visitation, custody, or support. Upon that finding, the court may in its discretion direct the implementation of a case management plan for the purpose of allocating attorney's fees, court costs, expert fees, and consultant fees equitably between the parties. The case management plan shall focus on specific, designated issues. The plan may provide for the allocation of separate or community assets, security against these assets, and for payments from income or anticipated income of either party for the purpose described in this subdivision and for the benefit of one or both parties. Payments shall be authorized only on agreement of the parties or, in the absence thereof, by court order. The court may order that a referee be appointed pursuant to Section 639 of the Code of Civil Procedure to oversee the case management plan.

2033. (a) Either party may encumber his or her interest in community real property to pay reasonable attorney's fees in order to retain or maintain legal counsel in a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties. This encumbrance shall be known as a "family law attorney's real property lien" and attaches only to the encumbering party's interest in the community real property.

(b) Notice of a family law attorney's real property lien shall be served either personally or on the other party's attorney of record at least 15 days before the encumbrance is recorded. This notice shall contain a declaration signed under penalty of perjury containing all of the following:

(1) A full description of the real property.

(2) The party's belief as to the fair market value of the property and documentation supporting that belief.

(3) Encumbrances on the property as of the date of the declaration.

(4) A list of community assets and liabilities and their estimated values as of the date of the declaration.

(5) The amount of the family law attorney's real property lien.

(c) The nonencumbering party may file an ex parte objection to the family law attorney's real property lien. The objection shall include a request to stay the recordation until further notice of the court and shall contain a copy of the notice received. The objection shall also include a declaration signed under penalty of perjury as to all of the following:

(1) Specific objections to the family law attorney's real property lien and to the specific items in the notice.

(2) The objector's belief as to the appropriate items or value and any documentation supporting that belief.

(3) A declaration specifically stating why recordation of the encumbrance at this time would likely result in an unequal division of property or would otherwise be unjust under the circumstances of the case.

(d) Except as otherwise provided by this section, general procedural rules regarding ex parte motions apply.

(e) An attorney for whom a family law attorney's real property lien is obtained shall comply with Rule 3-300 of the Rules of Professional Conduct of the State Bar of California.

2034. (a) On application of either party, the court may deny the family law attorney's real property lien described in Section 2033 based on a finding that the encumbrance would likely result in an unequal division of property because it would impair the encumbering party's ability to meet his or her fair share of the community obligations or would otherwise be unjust under the circumstances of the case. The court may also for good cause limit the amount of the family law attorney's real property lien. A limitation by the court is not to be construed as a determination of reasonable attorney's fees.

(b) On receiving an objection to the establishment of a family law attorney's real property lien, the court may on its own motion determine whether the case involves complex or substantial issues of fact or law related to property rights, visitation, custody, or support. If the court finds that the case involves one or more of these complex or substantial issues, the court may direct the implementation of a case management plan as provided in subdivision (d) of Section 2032.

(c) The court has jurisdiction to resolve any dispute arising from the existence of a family law attorney's real property lien.

SEC. 106.7. Chapter 4 (commencing with Section 2040) is added to Part 1 of Division 6 of the Family Code, to read:

CHAPTER 4. PROTECTIVE AND RESTRAINING ORDERS

Article 1. Orders in Summons

2040. In addition to the contents required by Section 412.20 of the Code of Civil Procedure, the summons shall contain a temporary restraining order:

(a) Restraining both parties from removing the minor child or children of the parties, if any, from the state without the prior written consent of the other party or an order of the court.

(b) Restraining both parties from transferring, encumbering, hypothecating, concealing, or in any way disposing of any property, real or personal, whether community, quasi-community, or separate, without the written consent of the other party or an order of the court, except in the usual course of business or for the necessities of life and requiring each party to notify the other party of any proposed extraordinary expenditures at least five business days before incurring those expenditures and to account to the court for all extraordinary expenditures made after service of the summons on that party. However, nothing in the restraining order shall preclude the parties from using community property to pay reasonable attorney's fees in order to retain legal counsel in the proceeding.

(c) Restraining both parties from cashing, borrowing against, canceling, transferring, disposing of, or changing the beneficiaries of

any insurance or other coverage, including life, health, automobile, and disability held for the benefit of the parties and their child or children for whom support may be ordered.

2041. Nothing in Section 2040 adversely affects the rights, title, and interest of a purchaser for value, encumbrancer for value, or lessee for value who is without actual knowledge of the restraining order.

Article 2. Ex Parte Orders

2045. During the pendency of the proceeding, on application of a party in the manner provided by Part 4 (commencing with Section 240) of Division 2, the court may issue ex parte any of the following orders:

(a) An order 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 that party to notify the other party of any proposed extraordinary expenditures and to account to the court for all extraordinary expenditures.

(b) A protective order, as defined in Section 6218, and any other order as provided in Article 1 (commencing with Section 6320) of Chapter 2 of Part 4 of Division 10.

Article 3. Orders After Notice and Hearing

2047. After notice and a hearing, the court may issue a protective order, as defined in Section 6218, and any other restraining order as provided in Article 2 (commencing with Section 6340) of Chapter 2 of Part 4 of Division 10.

Article 4. Orders Included in Judgment

2049. A judgment may include a protective order, as defined in Section 6218, and any other restraining order as provided in Article 3 (commencing with Section 6360) of Chapter 2 of Part 4 of Division 10.

SEC. 107. Chapter 9 (commencing with Section 2100) is added to Part 1 of Division 6 of the Family Code, to read:

CHAPTER 9. DISCLOSURE OF ASSETS AND LIABILITIES

2100. The Legislature finds and declares the following:

(a) It is the policy of the State of California (1) to marshal, preserve, and protect community and quasi-community assets and liabilities that exist at the date of separation so as to avoid dissipation of the community estate before distribution, (2) to ensure fair and

sufficient child and spousal support awards, and (3) to achieve a division of community and quasi-community assets and liabilities on the dissolution of marriage or legal separation of the parties as provided under California law.

(b) Sound public policy further favors the reduction of the adversarial nature of marital dissolution and the attendant costs by fostering full disclosure and cooperative discovery.

(c) In order to promote this public policy, a full and accurate disclosure of all assets and liabilities in which one or both parties have or may have an interest must be made in the early stages of a proceeding for dissolution of marriage or legal separation of the parties, regardless of the characterization as community or separate, together with a disclosure of all income and expenses of the parties. Moreover, each party has a continuing duty to update and augment that disclosure so that at the time the parties enter into an agreement for the resolution of any of these issues, or at the time of trial on these issues, each party will have as full and complete knowledge of the relevant underlying facts as is reasonably possible under the circumstances of the case.

2101. Unless the provision or context otherwise requires, the following definitions apply to this chapter:

(a) "Asset" includes, but is not limited to, any real or personal property of any nature, whether tangible or intangible.

(b) "Earnings and accumulations" includes, but is not limited to, wages, salary, net rents, issues, profits, and business perquisites.

(c) "Expenses" includes, but is not limited to, all personal living expenses, but does not include business related expenses.

(d) "Liability" includes, but is not limited to, any debt or obligation, whether currently existing or contingent.

2102. From the date of separation to the date of the distribution of the community asset or liability in question, each party is subject to the standards provided in Section 721, as to all activities that affect the property rights of the other party, including, but not limited to, the following activities:

(a) The accurate and complete disclosure of all assets and liabilities in which the party has or may have an interest or obligation and all current earnings, accumulations, and expenses.

(b) The accurate and complete written disclosure of any investment opportunity that presents itself after the date of separation, but that results directly from any activity, involvement, or investment of either spouse from the date of marriage to the date of separation, inclusive. The written disclosure shall be made in sufficient time for the other spouse to make an informed decision as to whether he or she desires to participate in the investment opportunity. In the event of nondisclosure of such an investment opportunity, the division of any gain resulting from that investment opportunity is governed by the standard provided in Section 2556.

(c) The operation or management of a business or an interest in a business in which the community may have an interest.

2103. In order to provide full and accurate disclosure of all assets and liabilities in which one or both parties may have an interest, each party to a proceeding for dissolution of the marriage or legal separation of the parties shall serve on the other party a preliminary declaration of disclosure under Section 2104 and a final declaration of disclosure under Section 2105.

2104. (a) Except by court order on good cause or by stipulation of the parties, within 60 days of service of the petition for dissolution of marriage or legal separation of the parties, each party shall serve on the other party a preliminary declaration of disclosure, executed under penalty of perjury on a form prescribed by the Judicial Council. The commission of perjury on the preliminary declaration of disclosure may be grounds for setting aside the judgment, or any part or parts thereof, pursuant to Chapter 10 (commencing with Section 2120), in addition to any and all other remedies, civil or criminal, that otherwise are available under law for the commission of perjury. The parties may agree in writing to accelerate or delay the time within which to exchange preliminary declarations of disclosure.

(b) The preliminary declaration of disclosure shall not be filed with the court, except on court order.

(c) The preliminary declaration of disclosure shall set forth with sufficient particularity, which a person of reasonable and ordinary intelligence can ascertain, all of the following:

(1) The identity of all assets in which the declarant has or may have an interest and all liabilities for which the declarant is or may be liable, regardless of the characterization of the asset or liability as community, quasi-community, or separate.

(2) The declarant's percentage of ownership in each asset and percentage of obligation for each liability where property is not solely owned by one or both of the parties . The preliminary declaration may also set forth his or her characterization of each asset or liability.

(d) A declarant may amend his or her preliminary declaration of disclosure without leave of the court.

(e) Along with the preliminary declaration of disclosure, each party shall provide the other party with a completed income and expense declaration unless an income and expense declaration has already been provided and is current and valid.

2105. (a) Before the time the parties enter into an agreement for the resolution of property or support issues other than pendente lite support, or, in the event the case goes to trial, no later than 30 days before the first trial date is assigned, each party shall file and serve on the other party a final declaration of disclosure and a current income and expense declaration, executed under penalty of perjury on a form prescribed by the Judicial Council. The commission of perjury on the final declaration of disclosure may be grounds for setting aside the judgment, or any part or parts thereof, pursuant to Chapter 10 (commencing with Section 2120), in addition to any and

all other remedies, civil or criminal, that otherwise are available under law for the commission of perjury.

(b) Unless it has already been filed, the final declaration of disclosure shall be filed with the court at the time of the filing of the judgment.

(c) The final declaration of disclosure shall include all of the following information:

(1) All material facts and information regarding the characterization of all assets and liabilities.

(2) All material facts and information regarding the valuation of all assets that are contended to be community or in which it is contended the community has an interest.

(3) All material facts and information regarding the amounts of all obligations that are contended to be community obligations or for which it is contended the community has liability.

(4) All material facts and information regarding the earnings, accumulations, and expenses of each party that have been set forth in the income and expense declaration.

(d) Along with the final declaration of disclosure, each party shall serve and file an updated income and expense declaration unless a current income and expense declaration is on file.

2106. No agreement is enforceable, and no judgment shall be entered, with respect to the parties' property rights without each party having executed and filed with the court a copy of the final declaration of disclosure, unless the court finds that denial of entry of judgment would unfairly prejudice a party who has complied with the disclosure requirements of this chapter and who has requested entry of judgment, or the court otherwise finds that the interests of justice would not be served if judgment were not entered.

2107. (a) If one party fails to serve on the other party a preliminary declaration of disclosure under Section 2104 or a final declaration of disclosure under Section 2105, or fails to provide the information required in the respective declarations with sufficient particularity, and if the other party has served the respective declaration of disclosure on the noncomplying party, the complying party may, within a reasonable time, request preparation of the appropriate declaration of disclosure or further particularity.

(b) If the noncomplying party fails to comply with a request under subdivision (a), the complying party may do either or both of the following:

(1) File a motion to compel a further response.

(2) File a motion for an order preventing the noncomplying party from presenting evidence on issues that should have been covered in the declaration of disclosure.

(c) If a party fails to comply with any provision of this chapter, the court shall, in addition to any other remedy provided by law, order the noncomplying party to pay to the complying party any reasonable attorney's fees, expert fees, and any other costs incurred as a result of the failure to comply with any provision of this chapter.

2108. At any time during the proceeding, the court has the authority, on application of a party and for good cause, to order the liquidation of community or quasi-community assets so as to avoid unreasonable market or investment risks, given the relative nature, scope, and extent of the community estate. However, in no event shall the court grant the application unless, as provided in this chapter, the appropriate declaration of disclosure has been served by the moving party.

2109. This chapter applies to any proceeding commenced on or after January 1, 1993.

SEC. 108. Chapter 10 (commencing with Section 2120) is added to Part 1 of Division 6 of the Family Code, to read:

CHAPTER 10. RELIEF FROM JUDGMENT

2120. The Legislature finds and declares the following:

(a) The State of California has a strong policy of ensuring the division of community and quasi-community property in the dissolution of a marriage as set forth in Division 7 (commencing with Section 2500), and of providing for fair and sufficient child and spousal support awards. These policy goals can only be implemented with full disclosure of community, quasi-community, and separate assets, liabilities, income, and expenses, as provided in Chapter 9 (commencing with Section 2100), and decisions freely and knowingly made.

(b) It occasionally happens that the division of property or the award of support, whether made as a result of agreement or trial, is inequitable when made due to the nondisclosure or other misconduct of one of the parties.

(c) The public policy of assuring finality of judgments must be balanced against the public interest in ensuring proper division of marital property, in ensuring sufficient support awards, and in deterring misconduct.

(d) The law governing the circumstances under which a judgment can be set aside, after the time for relief under Section 473 of the Code of Civil Procedure has passed, has been the subject of considerable confusion which has led to increased litigation and unpredictable and inconsistent decisions at the trial and appellate levels.

2121. (a) In proceedings for dissolution of marriage, for nullity of marriage, or for legal separation of the parties, the court may, on any terms that may be just, relieve a spouse from a judgment, or any part or parts thereof, adjudicating support or division of property, after the six-month time limit of Section 473 of the Code of Civil Procedure has run, based on the grounds, and within the time limits, provided in this chapter.

(b) In all proceedings under this chapter, before granting relief, the court shall find that the facts alleged as the grounds for relief materially affected the original outcome and that the moving party

would materially benefit from the granting of the relief.

2122. The grounds and time limits for a motion to set aside a judgment, or any part or parts thereof, are governed by this section and shall be one of the following:

(a) Actual fraud where the defrauded party was kept in ignorance or in some other manner, other than his or her own lack of care or attention, was fraudulently prevented from fully participating in the proceeding. Motions based on fraud shall be brought within one year after the date on which the complaining party either did discover, or should have discovered, the fraud.

(b) Perjury in a declaration of disclosure required under Chapter 9 (commencing with Section 2100). Motions based on perjury shall be brought within one year after the date on which the complaining party either did discover, or should have discovered, the perjury.

(c) Duress. Motions based upon duress shall be brought within two years after the date of entry of judgment.

(d) Mental incapacity. Motions based on mental incapacity shall be brought within two years after the date of entry of judgment.

(e) As to stipulated or uncontested judgments or that part of a judgment stipulated to by the parties, mistake, either mutual or unilateral, whether mistake of law or mistake of fact. Motions based on mistake shall be brought within one year after the date of entry of judgment.

2123. Notwithstanding any other provision of this chapter, or any other law, a judgment may not be set aside simply because the court finds that it was inequitable when made, nor simply because subsequent circumstances caused the division of assets or liabilities to become inequitable, or the support to become inadequate.

2124. The negligence of an attorney shall not be imputed to a client to bar an order setting aside a judgment, unless the court finds that the client knew, or should have known, of the attorney's negligence and unreasonably failed to protect himself or herself.

2125. When ruling on a motion to set aside a judgment, the court shall set aside only those provisions materially affected by the circumstances leading to the court's decision to grant relief. However, the court has discretion to set aside the entire judgment, if necessary, for equitable considerations.

2126. As to assets or liabilities for which a judgment or part of a judgment is set aside, the date of valuation shall be subject to equitable considerations. The court shall equally divide the asset or liability, unless the court finds upon good cause shown that the interests of justice require an unequal division.

2127. As to motions filed under this chapter, if a timely request is made, the court shall render a statement of decision where the court has resolved controverted factual evidence.

2128. (a) Nothing in this chapter prohibits a party from seeking relief under Section 2556.

(b) Nothing in this chapter changes existing law with respect to contract remedies where the contract has not been merged or

incorporated into a judgment.

(c) Nothing in this chapter is intended to restrict a family law court from acting as a court of equity.

(d) Nothing in this chapter is intended to limit existing law with respect to the modification or enforcement of support orders.

(e) Nothing in this chapter affects the rights of a bona fide lessee, purchaser, or encumbrancer for value of real property.

2129. This chapter applies to judgments entered on or after January 1, 1993.

SEC. 108.5. Section 2255 of the Family Code is amended to read:

2255. The court may grant attorney's fees and costs in accordance with Chapter 3.5 (commencing with Section 2030) of Part 1 in proceedings to have the marriage adjudged void and in those proceedings based upon voidable marriage in which the party applying for attorney's fees and costs is found to be innocent of fraud or wrongdoing in inducing or entering into the marriage, and free from knowledge of the then existence of any prior marriage or other impediment to the contracting of the marriage for which a judgment of nullity is sought.

SEC. 109. Section 2334 of the Family Code is amended to read:

2334. (a) If it appears that there is a reasonable possibility of reconciliation, the court shall continue the proceeding for the dissolution of the marriage or for a legal separation of the parties for a period not to exceed 30 days.

(b) During the period of the continuance, the court may make orders for the support and maintenance of the parties, the custody of the minor children of the marriage, the support of children for whom support may be ordered, attorney's fees, and for the preservation of the property of the parties.

(c) At any time after the termination of the period of the continuance, either party may move for the dissolution of the marriage or a legal separation of the parties, and the court may enter a judgment of dissolution of the marriage or legal separation of the parties.

SEC. 110. Section 2335 of the Family Code is amended to read:

2335. Except as otherwise provided by statute, in a pleading or proceeding for dissolution of marriage or legal separation of the parties, including depositions and discovery proceedings, evidence of specific acts of misconduct is improper and inadmissible.

SEC. 110.2. Section 2400 of the Family Code is amended to read:

2400. (a) A marriage may be dissolved by the summary dissolution procedure provided in this chapter if all of the following conditions exist at the time the proceeding is commenced:

(1) Either party has met the jurisdictional requirements of Chapter 3 (commencing with Section 2320) with regard to dissolution of marriage.

(2) Irreconcilable differences have caused the irremediable breakdown of the marriage and the marriage should be dissolved.

(3) There are no children of the relationship of the parties born

before or during the marriage or adopted by the parties during the marriage, and the wife, to her knowledge, is not pregnant.

(4) The marriage is not more than five years in duration at the time the petition is filed.

(5) Neither party has any interest in real property wherever situated, with the exception of the lease of a residence occupied by either party which satisfies the following requirements:

(A) The lease does not include an option to purchase.

(B) The lease terminates within one year from the date of the filing of the petition.

(6) There are no unpaid obligations in excess of four thousand dollars ($4,000) incurred by either or both of the parties after the date of their marriage, excluding the amount of any unpaid obligation with respect to an automobile.

(7) The total fair market value of community property assets, excluding all encumbrances and automobiles, including any deferred compensation or retirement plan, is less than twenty-five thousand dollars ($25,000), and neither party has separate property assets, excluding all encumbrances and automobiles, in excess of twenty-five thousand dollars ($25,000).

(8) The parties have executed an agreement setting forth the division of assets and the assumption of liabilities of the community, and have executed any documents, title certificates, bills of sale, or other evidence of transfer necessary to effectuate the agreement.

(9) The parties waive any rights to spousal support.

(10) The parties, upon entry of the judgment of dissolution of marriage pursuant to Section 2403, irrevocably waive their respective rights to appeal and their rights to move for a new trial.

(11) The parties have read and understand the summary dissolution brochure provided for in Section 2406.

(12) The parties desire that the court dissolve the marriage.

(b) On January 1, 1985, and on January 1 of each odd-numbered year thereafter, the amounts in paragraph (6) of subdivision (a) shall be adjusted to reflect any change in the value of the dollar. On January 1, 1993, and on January 1 of each odd-numbered year thereafter, the amounts in paragraph (7) of subdivision (a) shall be adjusted to reflect any change in the value of the dollar. The adjustments shall be made by multiplying the base amounts by the percentage change in the California Consumer Price Index as compiled by the Department of Industrial Relations, with the result rounded to the nearest thousand dollars. The Judicial Council shall compute and publish the amounts.

SEC. 110.5. Section 2501 of the Family Code is repealed.

SEC. 111. Section 2556 of the Family Code is amended to read:

2556. In a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties, the court has continuing jurisdiction to award community estate assets or community estate liabilities to the parties that have not been previously adjudicated by a judgment in the proceeding. A party

may file a postjudgment motion or order to show cause in the proceeding in order to obtain adjudication of any community estate asset or liability omitted or not adjudicated by the judgment. In these cases, the court shall equally divide the omitted or unadjudicated community estate asset or liability, unless the court finds upon good cause shown that the interests of justice require an unequal division of the asset or liability.

SEC. 111.5. Section 2580 of the Family Code is repealed.

SEC. 111.6. Section 2580 is added to the Family Code, to read:

2580. The Legislature hereby finds and declares as follows:

(a) It is the public policy of this state to provide uniformly and consistently for the standard of proof in establishing the character of property acquired by spouses during marriage in joint title form, and for the allocation of community and separate interests in that property between the spouses.

(b) The methods provided by case and statutory law have not resulted in consistency in the treatment of spouses' interests in property they hold in joint title, but rather, have created confusion as to which law applies to property at a particular point in time, depending on the form of title, and, as a result, spouses cannot have reliable expectations as to the characterization of their property and the allocation of the interests therein, and attorneys cannot reliably advise their clients regarding applicable law.

(c) Therefore, a compelling state interest exists to provide for uniform treatment of property. Thus, former Sections 4800.1 and 4800.2 of the Civil Code, as operative on January 1, 1987, and as continued in Sections 2580 and 2640 of this code, apply to all property held in joint title regardless of the date of acquisition of the property or the date of any agreement affecting the character of the property, and those sections apply in all proceedings commenced on or after January 1, 1984. However, those sections do not apply to property settlement agreements executed before January 1, 1987, or proceedings in which judgments were rendered before January 1, 1987, regardless of whether those judgments have become final.

SEC. 111.7. Section 2581 is added to the Family Code, to read:

2581. For the purpose of division of property on dissolution of marriage or legal separation of the parties, property acquired by the parties during marriage in joint form, including property held in tenancy in common, joint tenancy, or tenancy by the entirety, or as community property, is presumed to be community property. This presumption is a presumption affecting the burden of proof and may be rebutted by either of the following:

(a) A clear statement in the deed or other documentary evidence of title by which the property is acquired that the property is separate property and not community property.

(b) Proof that the parties have made a written agreement that the property is separate property.

SEC. 112. Section 2610 of the Family Code is amended to read:

2610. (a) Except as provided in subdivision (b), the court shall

make whatever orders are necessary or appropriate to ensure that each party receives the party's full community property share in any retirement plan, whether public or private, including all survivor and death benefits, including, but not limited to, any of the following:

(1) Order the division of any retirement benefits payable upon or after the death of either party in a manner consistent with this division.

(2) Order a party to elect a survivor benefit annuity or other similar election for the benefit of the other party, as specified by the court, in any case in which a retirement plan provides for such an election, provided that no court shall order a retirement plan to provide increased benefits determined on the basis of actuarial value.

(3) Order the division of accumulated community property contributions and service credit as provided in Article 1.2 (commencing with Section 21215) of Chapter 9 of Part 3 of Division 5 of Title 2 of, or Article 2.5 (commencing with Section 75050) of Chapter 11 of Title 8 of, the Government Code.

(4) Order the division of community property rights in accounts with the State Teachers' Retirement System pursuant to Chapter 7.5 (commencing with Section 22650) of Part 13 of the Education Code.

(5) Order a retirement plan to make payments directly to a nonmember party of his or her community property interest in retirement benefits.

(b) A court shall not make any order that requires a retirement plan to do either of the following:

(1) Make payments in any manner that will result in an increase in the amount of benefits provided by the plan.

(2) Make the payment of benefits to any party at any time before the member retires, except as provided in paragraphs (3) and (4) of subdivision (a), unless the plan so provides.

(c) This section shall not be applied retroactively to payments made by a retirement plan to any person who retired or died prior to January 1, 1987, or to payments made to any person who retired or died prior to June 1, 1988, for plans subject to paragraphs (3) and (4) of subdivision (a).

SEC. 113. Section 2623 of the Family Code is amended to read:

2623. Debts incurred by either spouse after the date of separation but before entry of a judgment of dissolution of marriage or legal separation of the parties shall be confirmed as follows:

(a) Debts incurred by either spouse for the common necessaries of life of either spouse or the necessaries of life of the children of the marriage for whom support may be ordered, in the absence of a court order or written agreement for support or for the payment of these debts, shall be confirmed to either spouse according to the parties' respective needs and abilities to pay at the time the debt was incurred.

(b) Debts incurred by either spouse for nonnecessaries of that spouse or children of the marriage for whom support may be ordered

shall be confirmed without offset to the spouse who incurred the debt.

SEC. 114. Section 2628 of the Family Code is repealed.

SEC. 114.5. Section 2640 of the Family Code is amended to read:

2640. (a) "Contributions to the acquisition of the property," as used in this section, include downpayments, payments for improvements, and payments that reduce the principal of a loan used to finance the purchase or improvement of the property but do not include payments of interest on the loan or payments made for maintenance, insurance, or taxation of the property.

(b) In the division of the community estate under this division, unless a party has made a written waiver of the right to reimbursement or has signed a writing that has the effect of a waiver, the party shall be reimbursed for the party's contributions to the acquisition of the property to the extent the party traces the contributions to a separate property source. The amount reimbursed shall be without interest or adjustment for change in monetary values and shall not exceed the net value of the property at the time of the division.

SEC. 115. Chapter 2 (commencing with Section 3010) of Part 1 of Division 8 of the Family Code is repealed.

SEC. 115.5. Chapter 2 (commencing with Section 3010) is added to Part 1 of Division 8 of the Family Code, to read:

CHAPTER 2. GENERAL PROVISIONS

3010. (a) The mother of an unemancipated minor child and the father, if presumed to be the father under Section 7611, are equally entitled to the custody of the child.

(b) If one parent is dead, is unable or refuses to take custody, or has abandoned the child, the other parent is entitled to custody of the child.

3011. In making a determination of the best interest of the child in a proceeding described in Section 3021, the court shall, among any other factors it finds relevant, consider all of the following:

(a) The health, safety, and welfare of the child.

(b) Any history of abuse by one parent against the child or against the other parent. As a prerequisite to the consideration of allegations of abuse, the court may require substantial independent corroboration, including, but not limited to, written reports by law enforcement agencies, child protective services or other social welfare agencies, courts, medical facilities, or other public agencies or private nonprofit organizations providing services to victims of sexual assault or domestic violence. As used in this subdivision, "abuse against the child" means "child abuse" as defined in Section 11165.6 of the Penal Code and "abuse against the other parent" means "abuse" as defined in Section 6203 of this code.

(c) The nature and amount of contact with both parents.

SEC. 116. Section 3020 of the Family Code is amended to read:

3020. The Legislature finds and declares that it is the public policy of this state to assure minor children frequent and continuing contact with both parents after the parents have separated or dissolved their marriage, and to encourage parents to share the rights and responsibilities of child rearing in order to effect this policy, except where the contact would not be in the best interest of the child, as provided in Section 3011.

SEC. 116.11. Section 3021 is added to the Family Code, to read:

3021. This part applies in any of the following:

(a) A proceeding for dissolution of marriage.

(b) A proceeding for nullity of marriage.

(c) A proceeding for legal separation of the parties.

(d) An action for exclusive custody pursuant to Section 3120.

(e) A proceeding to determine custody or visitation in a proceeding pursuant to the Domestic Violence Prevention Act (Division 10 (commencing with Section 6200).

(f) A proceeding to determine custody or visitation in an action pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12).

SEC. 116.12. Section 3021 of the Family Code is amended and renumbered to read:

3022. The court may, during the pendency of a proceeding or at any time thereafter, make an order for the custody of a child during minority that seems necessary or proper.

SEC. 116.13. Section 3022 of the Family Code is repealed.

SEC. 116.14. Section 3023 of the Family Code is amended to read:

3023. (a) If custody of a minor child is the sole contested issue, the case shall be given preference over other civil cases, except matters to which special precedence may be given by law, for assigning a trial date and shall be given an early hearing.

(b) If there is more than one contested issue and one of the issues is the custody of a minor child, the court, as to the issue of custody, shall order a separate trial. The separate trial shall be given preference over other civil cases, except matters to which special precedence may be given by law, for assigning a trial date.

SEC. 116.16. Section 3026 of the Family Code is amended to read:

3026. Family reunification services shall not be ordered as a part of a child custody or visitation rights proceeding. Nothing in this section affects the applicability of Section 16507 of the Welfare and Institutions Code.

SEC. 116.17. Section 3027 of the Family Code is amended to read:

3027. (a) If a court determines that an accusation of child abuse or neglect made during a child custody proceeding is false and the person making the accusation knew it to be false at the time the accusation was made, the court may impose reasonable money sanctions, not to exceed one thousand dollars ($1,000) and reasonable attorney's fees incurred in recovering the sanctions, against the person making the accusation. For the purposes of this section, "person" includes a witness, a party, or a party's attorney.

(b) On motion by any person requesting sanctions under this section, the court shall issue its order to show cause why the requested sanctions should not be imposed. The order to show cause shall be served on the person against whom the sanctions are sought and a hearing thereon shall be scheduled by the court to be conducted at least 15 days after the order is served.

(c) The remedy provided by this section is in addition to any other remedy provided by law.

SEC. 116.18. Section 3028 of the Family Code is amended to read:

3028. (a) The court may order financial compensation for periods when a parent fails to assume the caretaker responsibility or when a parent has been thwarted by the other parent when attempting to exercise custody or visitation rights contemplated by a custody or visitation order, including, but not limited to, an order for joint physical custody, or by a written or oral agreement between the parents.

(b) The compensation shall be limited to (1) the reasonable expenses incurred for or on behalf of a child, resulting from the other parent's failure to assume caretaker responsibility or (2) the reasonable expenses incurred by a parent for or on behalf of a child, resulting from the other parent's thwarting of the parent's efforts to exercise custody or visitation rights. The expenses may include the value of caretaker services but are not limited to the cost of services provided by a third party during the relevant period.

(c) The compensation may be requested by noticed motion or an order to show cause, which shall allege, under penalty of perjury, (1) a minimum of one hundred dollars ($100) of expenses incurred or (2) at least three occurrences of failure to exercise custody or visitation rights or (3) at least three occurrences of the thwarting of efforts to exercise custody or visitation rights within the six months before filing of the motion or order.

(d) Attorney's fees shall be awarded to the prevailing party upon a showing of the nonprevailing party's ability to pay as required by Section 270.

SEC. 116.19. Section 3029 is added to the Family Code, to read:

3029. An order granting custody to a parent who is receiving, or in the opinion of the court is likely to receive, assistance pursuant to the Family Economic Security Act of 1982 (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code) for the maintenance of the child shall include an order pursuant to Chapter 2 (commencing with Section 4000) of Part 2 of Division 9 of this code, directing the noncustodial parent to pay any amount necessary for the support of the child, to the extent of the noncustodial parent's ability to pay.

SEC. 116.20. Section 3030 is added to the Family Code, to read:

3030. No parent shall be granted custody of, or unsupervised visitation with, a child if the parent has been convicted under Section 273a, 273d, or 647.6 of the Penal Code unless the court finds that there is no significant risk to the child.

SEC. 116.30. Section 3031 is added to the Family Code, to read:

3031. Where the court considers the issue of custody or visitation the court is encouraged to make a reasonable effort to ascertain whether or not any civil restraining orders or criminal protective orders are in effect that concern the parties or the minor. The court is encouraged not to make a custody or visitation order that is inconsistent with the civil restraining order or criminal protective order, unless the court makes both of the following findings:

(a) The custody or visitation order cannot be made consistent with the civil restraining order or criminal protective order.

(b) The custody or visitation order is in the best interest of the minor.

SEC. 116.40. Chapter 2 (commencing with Section 3040) of Part 2 of Division 8 of the Family Code is repealed.

SEC. 116.50. Chapter 2 (commencing with Section 3040) is added to Part 2 of Division 8 of the Family Code, to read:

CHAPTER 2. MATTERS TO BE CONSIDERED IN GRANTING CUSTODY

3040. (a) Custody should be granted in the following order of preference according to the best interest of the child as provided in Section 3011:

(1) To both parents jointly pursuant to Chapter 4 (commencing with Section 3080) or to either parent. In making an order granting custody to either parent, the court shall consider, among other factors, which parent is more likely to allow the child frequent and continuing contact with the noncustodial parent, subject to Section 3011, and shall not prefer a parent as custodian because of that parent's sex. The court, in its discretion, may require the parents to submit to the court a plan for the implementation of the custody order.

(2) If to neither parent, to the person or persons in whose home the child has been living in a wholesome and stable environment.

(3) To any other person or persons deemed by the court to be suitable and able to provide adequate and proper care and guidance for the child.

(b) This section establishes neither a preference nor a presumption for or against joint legal custody, joint physical custody, or sole custody, but allows the court and the family the widest discretion to choose a parenting plan that is in the best interest of the child.

3041. Before making an order granting custody to a person or persons other than a parent, without the consent of the parents, the court shall make a finding that granting custody to a parent would be detrimental to the child and that granting custody to the nonparent is required to serve the best interest of the child. Allegations that parental custody would be detrimental to the child, other than a statement of that ultimate fact, shall not appear in the

pleadings. The court may, in its discretion, exclude the public from the hearing on this issue.

3042. If a child is of sufficient age and capacity to reason so as to form an intelligent preference as to custody, the court shall consider and give due weight to the wishes of the child in making an order granting or modifying custody.

3043. In determining the person or persons to whom custody should be granted under paragraph (2) or (3) of subdivision (a) of Section 3040, the court shall consider and give due weight to the nomination of a guardian of the person of the child by a parent under Article 1 (commencing with Section 1500) of Chapter 1 of Part 2 of Division 4 of the Probate Code.

SEC. 116.60. Section 3060 of the Family Code is amended to read:

3060. A petition for a temporary custody order, containing the statement required by Section 3409, may be included with the initial filing of the petition or action or may be filed at any time after the initial filing.

SEC. 116.61. Section 3061 of the Family Code is amended to read:

3061. If the parties have agreed to or reached an understanding on the custody or temporary custody of their children, a copy of the agreement or an affidavit as to their understanding shall be attached to the petition or action. As promptly as possible after this filing, the court shall, except in exceptional circumstances, enter an order granting temporary custody in accordance with the agreement or understanding or in accordance with any stipulation of the parties.

SEC. 116.70. Section 3080 of the Family Code is amended to read:

3080. There is a presumption, affecting the burden of proof, that joint custody is in the best interest of a minor child, subject to Section 3011, where the parents have agreed to joint custody or so agree in open court at a hearing for the purpose of determining the custody of the minor child.

SEC. 116.71. Section 3081 of the Family Code is amended to read:

3081. On application of either parent, joint custody may be ordered in the discretion of the court in cases other than those described in Section 3080, subject to Section 3011. For the purpose of assisting the court in making a determination whether joint custody is appropriate under this section, the court may direct that an investigation be conducted pursuant to Chapter 6 (commencing with Section 3110).

SEC. 116.72. Section 3085 of the Family Code is amended to read:

3085. In making an order for custody with respect to both parents, the court may grant joint legal custody without granting joint physical custody.

SEC. 116.73. Section 3088 of the Family Code is amended to read:

3088. An order for the custody of a minor child entered by a court in this state or any other state may, subject to the jurisdictional requirements in Sections 3403 and 3414, be modified at any time to an order for joint custody in accordance with this chapter.

SEC. 116.74. Section 3100 of the Family Code is amended to read:

3100. (a) In making an order pursuant to Chapter 4 (commencing with Section 3080), the court shall grant reasonable visitation rights to a parent unless it is shown that the visitation would be detrimental to the best interest of the child. In the discretion of the court, reasonable visitation rights may be granted to any other person having an interest in the welfare of the child.

(b) If a protective order, as defined in Section 6218, has been directed to a parent, the court shall consider whether the best interest of the child requires that any visitation by that parent shall be limited to situations in which a third person, specified by the court, is present. The court shall include in its deliberations a consideration of the nature of the acts from which the parent was enjoined and the period of time that has elapsed since that order. A parent may submit to the court the name of a person that the parent deems suitable to be present during visitation.

SEC. 116.75. Section 3101 of the Family Code is repealed.

SEC. 116.76. Section 3101 is added to the Family Code, to read:

3101. (a) Notwithstanding any other provision of law, the court may grant reasonable visitation to a stepparent, if visitation by the stepparent is determined to be in the best interest of the minor child.

(b) If a protective order, as defined in Section 6218, has been directed to a stepparent to whom visitation may be granted pursuant to this section, the court shall consider whether the best interest of the child requires that any visitation by the stepparent be denied.

(c) Visitation rights may not be ordered under this section that would conflict with a right of custody or visitation of a birth parent who is not a party to the proceeding.

(d) As used in this section:

(1) "Birth parent" means "birth parent" as defined in Section 8512.

(2) "Stepparent" means a person who is a party to the marriage that is the subject of the proceeding, with respect to a minor child of the other party to the marriage.

SEC. 116.77. Section 3102 of the Family Code is amended to read:

3102. (a) If either parent of an unemancipated minor child is deceased, the children, parents, and grandparents of the deceased parent may be granted reasonable visitation with the child during the child's minority upon a finding that the visitation would be in the best interest of the minor child.

(b) In granting visitation pursuant to this section to a person other than a grandparent, the court shall consider the amount of personal contact between the person and the child before the application for the visitation order.

(c) This section does not apply if the child has been adopted by a person other than a stepparent or grandparent. Any visitation rights granted pursuant to this section before the adoption of the child automatically terminate if the child is adopted by a person other than a stepparent or grandparent.

SEC. 116.78. Section 3103 is added to the Family Code, to read:

3103. (a) Notwithstanding any other provision of law, in a proceeding described in Section 3021, the court may grant reasonable visitation to a grandparent of a minor child of a party to the proceeding if the court determines that visitation by the grandparent is in the best interest of the child.

(b) There is a rebuttable presumption affecting the burden of proof that the visitation of a grandparent is not in the best interest of a minor child if the child's parents agree that the grandparent should not be granted visitation rights.

(c) If a protective order as defined in Section 6218 has been directed to the grandparent during the pendency of the proceeding, the court shall consider whether the best interest of the child requires that visitation by the grandparent be denied.

(d) Visitation rights may not be ordered under this section if that would conflict with a right of custody or visitation of a birth parent who is not a party to the proceeding.

(e) As used in this section, "birth parent" means "birth parent" as defined in Section 8512.

SEC. 116.80. Chapter 6 (commencing with Section 3110) of Part 2 of Division 8 of the Family Code is repealed.

SEC. 116.81. Chapter 6 (commencing with Section 3110) is added to Part 2 of Division 8 of the Family Code, to read:

CHAPTER 6. CUSTODY INVESTIGATION AND REPORT

3110. As used in this chapter, "court-appointed investigator" means a probation officer, domestic relations investigator, or court-appointed evaluator directed by the court to conduct an investigation pursuant to this chapter.

3111. (a) Where directed by the court, the court-appointed investigator shall conduct a custody investigation and file a written confidential report on it. At least 10 days before any hearing regarding custody of the child, the report shall be filed with the clerk of the court in which the custody hearing will be conducted and served on the parties or their attorneys. The report may be considered by the court.

(b) The report shall not be made available other than as provided in subdivision (a).

(c) The report may be received in evidence on stipulation of all interested parties and is competent evidence as to all matters contained in the report.

3112. (a) Where a court-appointed investigator is directed by the court to conduct a custody investigation or to undertake visitation work, including necessary evaluation, supervision, and reporting, the court shall inquire into the financial condition of the parent, guardian, or other person charged with the support of the minor. If the court finds the parent, guardian, or other person able to pay all or part of the expense of the investigation, report, and recommendation, the court may make an order requiring the parent,

guardian, or other person to repay the county the amount the court determines proper.

(b) The repayment shall be made to the county officer designated by the board of supervisors, who shall keep suitable accounts of the expenses and repayments and shall deposit the collections in the county treasury.

3113. Where there has been a history of domestic violence between the parties, or where a protective order as defined in Section 6218 is in effect, at the request of the party alleging domestic violence in a written declaration under penalty of perjury or at the request of a party who is protected by the order, the parties shall meet with the court-appointed investigator separately and at separate times.

3114. Nothing in this chapter prohibits a court-appointed investigator from recommending to the court that counsel be appointed pursuant to Chapter 10 (commencing with Section 3150) to represent the minor child. In making that recommendation, the court-appointed investigator shall inform the court of the reasons why it would be in the best interest of the child to have counsel appointed.

3115. The court-appointed investigator who conducted the investigation pursuant to this chapter shall be present at the trial and may be called to testify by the judge or either party as to any matter investigated. The testimony of the court-appointed investigator is subject to questions, direct and cross, that are proper, and is competent evidence.

3116. Nothing in this chapter limits the duty of a court-appointed investigator to assist the appointing court in the transaction of the business of the court.

SEC. 116.85. Section 3150 of the Family Code is amended to read:

3150. (a) If the court determines that it would be in the best interest of the minor child, the court may appoint private counsel to represent the interests of the child in a custody or visitation proceeding.

(b) Upon entering an appearance on behalf of a child pursuant to this chapter, counsel shall continue to represent that child unless relieved by the court upon the substitution of other counsel by the court or for cause.

SEC. 116.86. Chapter 11 (commencing with Section 3155) of Part 2 of Division 8 of the Family Code is repealed.

SEC. 116.87. Chapter 11 (commencing with Section 3160) is added to Part 2 of Division 8 of the Family Code, to read:

CHAPTER 11. MEDIATION OF CUSTODY AND VISITATION ISSUES

Article 1. General Provisions

3160. Each superior court shall make a mediator available. The court is not required to institute a family conciliation court in order

to provide mediation services.

3161. The purposes of a mediation proceeding are as follows:

(a) To reduce acrimony that may exist between the parties.

(b) To develop an agreement assuring the child close and continuing contact with both parents that is in the best interest of the child.

(c) To effect a settlement of the issue of visitation rights of all parties that is in the best interest of the child.

3162. (a) Mediation of cases involving custody and visitation concerning children shall be governed by uniform standards of practice adopted by the Judicial Council.

(b) The standards of practice shall include, but not be limited to, all of the following:

(1) Provision for the best interest of the child and the safeguarding of the rights of the child to frequent and continuing contact with both parents.

(2) Facilitation of the transition of the family by detailing factors to be considered in decisions concerning the child's future.

(3) The conducting of negotiations in such a way as to equalize power relationships between the parties.

(c) In adopting the standards of practice, the Judicial Council shall consider standards developed by recognized associations of mediators and attorneys and other relevant standards governing mediation of proceedings for the dissolution of marriage.

(d) The Judicial Council shall offer training with respect to the standards to mediators.

3163. Courts shall develop local rules to respond to requests for a change of mediators or to general problems relating to mediation.

3164. (a) The mediator may be a member of the professional staff of a family conciliation court, probation department, or mental health services agency, or may be any other person or agency designated by the court.

(b) The mediator shall meet the minimum qualifications required of a counselor of conciliation as provided in Section 1815.

Article 2. Availability of Mediation

3170. If it appears on the face of a petition, application, or other pleading to obtain or modify a temporary or permanent custody or visitation order that custody, visitation, or both are contested, the court shall set the contested issues for mediation.

3171. (a) If a stepparent or grandparent has petitioned, or otherwise applied, for a visitation order pursuant to Chapter 5 (commencing with Section 3100), the court shall set the matter for mediation.

(b) A natural or adoptive parent who is not a party to the proceeding is not required to participate in the mediation proceeding, but failure to participate is a waiver of that parent's right to object to a settlement reached by the other parties during

mediation or to require a hearing on the matter.

3172. Mediation shall not be denied to the parties on the basis that paternity is at issue in a proceeding before the court.

3173. (a) Upon the adoption of a resolution by the board of supervisors authorizing the procedure, a petition may be filed pursuant to this chapter for mediation of a dispute relating to an existing order for custody, visitation, or both.

(b) The mediation of a dispute concerning an existing order shall be set not later than 60 days after the filing of the petition.

Article 3. Mediation Proceedings

3175. If a matter is set for mediation pursuant to this chapter, the mediation shall be set before or concurrent with the setting of the matter for hearing.

3176. (a) Notice of mediation and of any hearing to be held pursuant to this chapter shall be given to the following persons:

(1) Where mediation is required to settle a contested issue of custody or visitation, to each party and to each party's counsel of record.

(2) Where a stepparent or grandparent seeks visitation rights, to the stepparent or grandparent seeking visitation rights, to each parent of the child, and to each parent's counsel of record.

(b) Notice shall be given by certified mail, return receipt requested, postage prepaid, to the last known address.

3177. Mediation proceedings pursuant to this chapter shall be held in private and shall be confidential. All communications, verbal or written, from the parties to the mediator made in the proceeding are official information within the meaning of Section 1040 of the Evidence Code.

3178. An agreement reached by the parties as a result of mediation shall be limited as follows:

(a) Where mediation is required to settle a contested issue of custody or visitation, the agreement shall be limited to the resolution of issues relating to parenting plans, custody, visitation, or a combination of these issues.

(b) Where a stepparent or grandparent seeks visitation rights, the agreement shall be limited to the resolution of issues relating to visitation.

3179. A custody or visitation agreement reached as a result of mediation may be modified at any time at the discretion of the court, subject to Chapter 1 (commencing with Section 3020), Chapter 2 (commencing with Section 3040), Chapter 4 (commencing with Section 3080), and Chapter 5 (commencing with Section 3100).

3180. (a) In mediation proceedings pursuant to this chapter, the mediator has the duty to assess the needs and interests of the child involved in the controversy, and is entitled to interview the child where the mediator considers the interview appropriate or necessary.

(b) The mediator shall use his or her best efforts to effect a settlement of the custody or visitation dispute that is in the best interest of the child, as provided in Section 3011.

3181. (a) In a proceeding in which mediation is required pursuant to this chapter, where there has been a history of domestic violence between the parties or where a protective order as defined in Section 6218 is in effect, at the request of the party alleging domestic violence in a written declaration under penalty of perjury or protected by the order, the mediator appointed pursuant to this chapter shall meet with the parties separately and at separate times.

(b) Any intake form that an agency charged with providing family court services requires the parties to complete before the commencement of mediation shall state that, if a party alleging domestic violence in a written declaration under penalty of perjury or a party protected by a protective order so requests, the mediator will meet with the parties separately and at separate times.

3182. (a) The mediator has authority to exclude counsel from participation in the mediation proceedings pursuant to this chapter if, in the mediator's discretion, exclusion of counsel is appropriate or necessary.

(b) The mediator has authority to exclude a domestic violence support person from a mediation proceeding as provided in Section 6303.

3183. (a) The mediator may, consistent with local court rules, submit a recommendation to the court as to the custody of or visitation with the child.

(b) Where the parties have not reached agreement as a result of the mediation proceedings, the mediator may recommend to the court that an investigation be conducted pursuant to Chapter 6 (commencing with Section 3110) or that other action be taken to assist the parties to effect a resolution of the controversy before a hearing on the issues.

(c) In appropriate cases, the mediator may recommend that restraining orders be issued, pending determination of the controversy, to protect the well-being of the child involved in the controversy.

3184. Nothing in this chapter prohibits the mediator from recommending to the court that counsel be appointed, pursuant to Chapter 10 (commencing with Section 3150), to represent the minor child. In making this recommendation, the mediator shall inform the court of the reasons why it would be in the best interest of the minor child to have counsel appointed.

3185. (a) If issues that may be resolved by agreement pursuant to Section 3178 are not resolved by an agreement of all the parties who participate in mediation, the mediator shall inform the court in writing and the court shall set the matter for hearing on the unresolved issues.

(b) Where a stepparent or grandparent requests visitation, each natural or adoptive parent and the stepparent or grandparent shall

be given an opportunity to appear and be heard on the issue of visitation.

3186. (a) An agreement reached by the parties as a result of mediation shall be reported to counsel for the parties by the mediator on the day set for mediation or as soon thereafter as practical, but before the agreement is reported to the court.

(b) An agreement may not be confirmed or otherwise incorporated in an order unless each party, in person or by counsel of record, has affirmed and assented to the agreement in open court or by written stipulation.

(c) An agreement may be confirmed or otherwise incorporated in an order if a party fails to appear at a noticed hearing on the issue involved in the agreement.

SEC. 116.90. Section 3190 of the Family Code is amended to read:

3190. (a) The court may require parents involved in a custody or visitation dispute, and the minor child, to participate in outpatient counseling with a licensed mental health professional, or through other community programs and services that provide appropriate counseling, including, but not limited to, mental health or substance abuse services, for not more than six months if the court finds both of the following:

(1) The dispute between the parents or between a parent and the child poses a substantial danger to the best interest of the child.

(2) The counseling is in the best interest of the child.

(b) If the court finds that the financial burden created by the order for counseling does not otherwise jeopardize a party's other financial obligations, the court shall fix the cost and shall order the entire cost of the services to be borne by the parties in the proportions the court deems reasonable.

(c) The court, in its finding, shall set forth reasons why it has found both of the following:

(1) The dispute poses a substantial danger to the best interest of the child and the counseling is in the best interest of the child.

(2) The financial burden created by the court order for counseling does not otherwise jeopardize a party's other financial obligations.

(d) The court shall not order the parties to return to court upon the completion of counseling. Either party may file a new order to show cause or motion after counseling has been completed, and the court may again order counseling consistent with this chapter.

SEC. 116.91. Section 3191 of the Family Code is amended to read:

3191. The counseling pursuant to this chapter shall be specifically designed to facilitate communication between the parties regarding their minor child's best interest, to reduce conflict regarding custody or visitation, and to improve the quality of parenting skills of each parent.

SEC. 116.92. Section 3192 of the Family Code is amended to read:

3192. In a proceeding in which counseling is ordered pursuant to this chapter, where there has been a history of domestic violence

between the parties or where a protective order as defined in Section 6218 is in effect, at the request of a party alleging domestic violence in a written declaration under penalty of perjury or at the request of a party who is protected by the order, the parties shall meet with the mental health professional, or attend other community programs or services, separately at separate times.

SEC. 117. Section 3403 of the Family Code is amended to read:

3403. (a) A court of this state which is competent to decide child custody matters has jurisdiction to make a child custody determination by initial or modification decree if the conditions as set forth in any of the following paragraphs are met:

(1) This state (A) is the home state of the child at the time of commencement of the proceeding, or (B) had been the child's home state within six months before commencement of the proceeding and the child is absent from this state because of removal or retention by a person claiming custody of the child or for other reasons, and a parent or person acting as parent continues to live in this state.

(2) It is in the best interest of the child that a court of this state assume jurisdiction because (A) the child and the child's parents, or the child and at least one contestant, have a significant connection with this state, and (B) there is available in this state substantial evidence concerning the child's present or future care, protection, training, and personal relationships.

(3) The child is physically present in this state and (A) the child has been abandoned or (B) it is necessary in an emergency to protect the child because the child has been subjected to or threatened with mistreatment or abuse or is otherwise neglected or dependent. For the purposes of this subdivision, "subjected to or threatened with mistreatment or abuse" includes a child who has a parent who is a victim of domestic violence, as defined in Section 6211.

(4) Both of the following conditions are satisfied:

(A) It appears that no other state would have jurisdiction under prerequisites substantially in accordance with paragraph (1), (2), or (3) or another state has declined to exercise jurisdiction on the ground that this state is the more appropriate forum to determine the custody of the child.

(B) It is in the best interest of the child that this court assume jurisdiction.

(b) Except under the conditions specified in paragraphs (3) and (4) of subdivision (a), physical presence in this state of the child, or of the child and one of the contestants, is not alone sufficient to confer jurisdiction on a court of this state to make a child custody determination.

(c) Physical presence of the child, while desirable, is not a prerequisite for jurisdiction to determine the custody of the child.

SEC. 118. Section 3408 of the Family Code is amended to read:

3408. (a) If the petitioner for an initial decree has wrongfully taken the child from another state or has engaged in similar reprehensible conduct, the court may decline to exercise jurisdiction

for purposes of adjudication of custody if this is just and proper under the circumstances.

(b) Unless required in the interest of the child, the court shall not exercise its jurisdiction to modify a custody decree of another state if the petitioner, without consent of the person entitled to custody, has improperly removed the child from the physical custody of the person entitled to custody or has improperly retained the child after a visit or other temporary relinquishment of physical custody. If the petitioner has violated any other provision of a custody decree of another state, the court may decline to exercise its jurisdiction if this is just and proper under the circumstances.

(c) Where the court declines to exercise jurisdiction upon petition for an initial custody decree pursuant to subdivision (a), the court shall notify the parent or other appropriate person and the prosecuting attorney of the appropriate jurisdiction in the other state. If a request to that effect is received from the other state, the court shall order the petitioner to appear with the child in a custody proceeding instituted in the other state in accordance with Section 3421. If no request is made within a reasonable time after the notification, the court may entertain a petition to determine custody by the petitioner if it has jurisdiction pursuant to Section 3403.

(d) Where the court refuses to assume jurisdiction to modify the custody decree of another state pursuant to subdivision (b) or pursuant to Section 3414, the court shall notify the person who has legal custody under the decree of the other state and the prosecuting attorney of the appropriate jurisdiction in the other state and may order the petitioner to return the child to the person who has legal custody. If it appears that the order will be ineffective and the legal custodian is ready to receive the child within a period of a few days, the court may place the child in a foster care home for that period, pending return of the child to the legal custodian. At the same time, the court shall advise the petitioner that any petition for modification of custody must be directed to (1) the appropriate court of the other state which has continuing jurisdiction or (2) if that court declines jurisdiction, to a court in a state which has jurisdiction pursuant to Section 3403.

(e) In appropriate cases, a court dismissing a petition under this section may charge the petitioner with necessary travel and other expenses, including attorney's fees and the cost of returning the child to another state.

(f) In making a determination pursuant to subdivisions (a) to (e), inclusive, the court shall not consider as a factor weighing against the petitioner any taking of the child, or retention of the child after a visit or other temporary relinquishment of physical custody, from the person who has legal custody, if there is evidence that the taking or retention of the child was a result of domestic violence against the petitioner, as defined in Section 6211.

SEC. 119. Section 3409 of the Family Code is amended to read:

3409. (a) Every party in a custody proceeding in the party's first

pleading or in an affidavit attached to that pleading shall give information under oath as to the child's present address, the places where the child has lived within the last five years, and the names and present addresses of the persons with whom the child has lived during that period. However, where there are allegations of domestic violence or child abuse, any addresses of the party alleging abuse and of the child that are unknown to the other party are confidential and may not be disclosed in the pleading or affidavit. In this pleading or affidavit, every party shall further declare under oath as to each of the following whether the party:

(1) Has participated, as a party, witness, or in any other capacity, in any other litigation concerning the custody of the same child in this or any other state.

(2) Has information of any custody proceeding concerning the child pending in a court of this or any other state.

(3) Knows of any person not a party to the proceedings who has physical custody of the child or claims to have custody or visitation rights with respect to the child.

(b) If the declaration as to any of the above items is in the affirmative, the declarant shall give additional information under oath as required by the court. The court may examine the parties under oath as to details of the information furnished and as to other matters pertinent to the court's jurisdiction and the disposition of the case.

(c) Each party has a continuing duty to inform the court of any custody proceeding concerning the child in this or any other state of which the party obtained information during this proceeding.

SEC. 120. Section 3555 of the Family Code is amended to read:

3555. Where support is ordered to be paid through the county officer designated by the court on behalf of a child or other party not receiving public assistance pursuant to the Family Economic Security Act of 1982 (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), the designated county officer shall forward the support received to the designated payee within the time standards prescribed by federal law and the State Department of Social Services.

SEC. 120.3. Section 3557 is added to the Family Code, to read:

3557. Notwithstanding any other provision of law, absent good cause to the contrary, the court, upon (1) determining an ability to pay and (2) consideration of the respective incomes and needs of the parties in order to ensure that each party has access to legal representation to preserve all of the party's rights, shall award reasonable attorney's fees to any of the following persons:

(a) A custodial parent or other person to whom payments should be made in any action to enforce any of the following:

(1) An existing order for child support.

(2) A penalty incurred pursuant to Chapter 5 (commencing with Section 4720) of Part 5 of Division 9.

(b) A supported spouse in an action to enforce an existing order

for spousal support.

SEC. 121. Section 3601 of the Family Code is amended to read:

3601. (a) An order for child support entered pursuant to this chapter continues in effect until the order (1) is terminated by the court or (2) terminates by operation of law pursuant to Sections 3900, 3901, 4007, and 4013.

(b) Subject to Section 3602, subdivision (a) applies notwithstanding any other provision of law and notwithstanding that the proceeding has not been brought to trial within the time limits specified in Chapter 1.5 (commencing with Section 583.110) of Title 8 of Part 2 of the Code of Civil Procedure.

SEC. 122. Section 3621 of the Family Code is amended to read:

3621. In an action for child support that has been filed and served, the court may, without a hearing, make an order requiring a parent or parents to pay for the support of their minor child or children during the pendency of that action, pursuant to this chapter, the amount required by Section 4055 or, if the income of the obligated parent or parents is unknown to the applicant, then the minimum amount of support as provided in Section 11452 of the Welfare and Institutions Code.

SEC. 123. Section 3622 of the Family Code is amended to read:

3622. The court shall make an expedited support order upon the filing of all of the following:

(a) An application for an expedited child support order, setting forth the minimum amount the obligated parent or parents are required to pay pursuant to Section 4055 of this code or Section 11452 of the Welfare and Institutions Code.

(b) An income and expense declaration for both parents, completed by the applicant.

(c) A worksheet setting forth the basis of the amount of support requested.

(d) A proposed expedited child support order.

SEC. 124. Section 3623 of the Family Code is amended to read:

3623. (a) An application for the expedited support order confers jurisdiction on the court to hear only the issue of support of the child or children for whom support may be ordered.

(b) Nothing in this chapter prevents either party from bringing before the court at the hearing other separately noticed issues otherwise relevant and proper to the action in which the application for the expedited support order has been filed.

SEC. 124.5. Section 3650 of the Family Code is amended to read:

3650. Unless the provision or context otherwise requires, as used in this chapter, "support order" means a child, family, or spousal support order.

SEC. 124.6. Section 3680 of the Family Code is amended to read:

3680. The purpose of this article is to provide an additional, simplified method for the modification of child and spousal support orders.

SEC. 124.9. Section 3684 of the Family Code is amended to read:

3684. (a) The responding party may, within 30 days after the date of service of the notice of motion pursuant to Section 3683, file an objection and request for hearing. If the responding party files an objection and request for hearing, the responding party is responsible for requesting a hearing date and giving notice of the hearing to the moving party. The responding party shall file the original proof of service of the notice of the objection and request for hearing at the same time as the filing of the objection and the request for hearing.

(b) If it appears in the response to a request for modification of a child support order pursuant to this article that an issue other than support is contested with respect to the child, the other issue shall be set for mediation under Chapter 11 (commencing with Section 3160) of Part 2 of Division 8. A separate hearing shall be scheduled for the other issue. The pendency of the mediation proceeding shall not delay a hearing on the request for modification of the support order under this article.

SEC. 125. Section 3687 of the Family Code is amended to read:

3687. (a) The court may grant a modification of child support, not to exceed an amount equal to 10 percent of the current child support award for each year after the date on which the current child support award was granted, without requiring a showing of changed circumstances by the moving party, to the extent justified by the economic evidence presented by way of the income statements (and expense statements, if the court deems them necessary and relevant) of the parties.

(b) The court may grant an increase of spousal support, not to exceed an amount equal to the increase in the California All Consumer Price Index provided by the federal government for each year after the date on which the current spousal support award was granted, without requiring a showing of changed circumstances by the moving party, to the extent justified by the economic evidence presented by way of income statements (and expense statements, if the court deems them necessary and relevant) of the parties.

(c) If the responding party fails to file a response, the court shall order a modification of the support order without requiring the submission of economic evidence by the moving party.

SEC. 126. Section 3688 of the Family Code is amended to read:

3688. (a) In a case in which the request for modification is based on a significant decrease in the income of the moving party, the moving party shall present evidence of the moving party's decline in economic circumstances. The amount of the modification shall be based on the economic evidence presented by way of income statements (and expense statements, if the court deems them necessary and relevant) of the parties.

(b) If the responding party defaults in a case where the request for the modification is based on a significant decrease in the income of the moving party, the court shall order a modification based on the evidence.

(c) If the court considering the request for modification of an order for spousal support orders support according to guidelines in use within its jurisdiction, the amount of the modification shall be based on the guidelines. If no guidelines are in use, the amount of the modification shall be based on the factors used in determining the existing spousal support award.

(d) The court considering the request for modification of an order for child support shall order support according to the statewide uniform guideline in Article 2 (commencing with Section 4050) of Chapter 2 of Part 2.

SEC. 126.5. Section 3691 of the Family Code is amended to read:

3691. (a) The party filing a notice of motion to modify child support with the clerk pursuant to this article shall also mail a duplicate copy of the notice to the district attorney within five working days after filing.

(b) If the district attorney has previously attempted to enforce the spousal support obligation on which the motion is based, the party filing a notice of motion to modify spousal support with the clerk pursuant to this article shall also mail a duplicate copy of the notice to the district attorney within five working days of filing.

SEC. 127. Section 3761 of the Family Code is amended to read:

3761. (a) Upon application by a party or district attorney in any proceeding where the court has ordered either or both parents to maintain health insurance coverage under Article 1 (commencing with Section 3750), the court shall order the employer of the obligor parent or other person providing health insurance to the obligor to enroll the supported child in the health insurance plan available to the obligor through the employer or other person and to deduct the appropriate premium or costs, if any, from the earnings of the obligor unless the court makes a finding of good cause for not making the order.

(b) The application shall state that the party or district attorney seeking the assignment has given the obligor a written notice of the intent to seek a health insurance coverage assignment in the event of a default in instituting coverage required by court order on behalf of the parties' child and that the notice was transmitted by first-class mail, postage prepaid, or personally served at least 15 days before the date of the filing of the application. The written notice of the intent to seek an assignment required by this subdivision may be given at the time of filing a petition or complaint for support or at any later time, but shall be given at least 15 days before the date of filing the application under this section. The obligor may at any time waive the written notice required by this subdivision.

SEC. 128. Section 3805 of the Family Code is repealed.

SEC. 129. Chapter 9 (commencing with Section 3830) is added to Part 1 of Division 9 of the Family Code, to read:

CHAPTER 9. SOFTWARE USED TO DETERMINE SUPPORT

3830. (a) On and after January 1, 1994, no court shall use any computer software to assist in determining the appropriate amount of child support or spousal support obligations, unless the software conforms to rules of court adopted by the Judicial Council prescribing standards for the software, which shall ensure that it performs in a manner consistent with the applicable statutes and rules of court for determination of child support or spousal support.

(b) The Judicial Council may contract with an outside agency or organization to analyze software to ensure that it conforms to the standards established by the Judicial Council. The cost of this analysis shall be paid by the applicant software producers and fees therefor shall be established by the Judicial Council in an amount that in the aggregate will defray its costs of administering this section.

SEC. 130. Section 3901 of the Family Code is amended to read:

3901. (a) The duty of support imposed by Section 3900 continues as to an unmarried child who has attained the age of 18 years, is a full-time high school student, and who is not self-supporting, until the time the child completes the 12th grade or attains the age of 19 years, whichever occurs first.

(b) Nothing in this section limits a parent's ability to agree to provide additional support or the court's power to inquire whether an agreement to provide additional support has been made.

SEC. 131. Section 3902 of the Family Code is amended to read:

3902. The court may direct that an allowance be made to the parent of a child for whom support may be ordered out of the child's property for the child's past or future support, on conditions that are proper, if the direction is for the child's benefit.

SEC. 132. Section 3930 of the Family Code is amended to read:

3930. A parent does not have the duty to support a child of the parent's child.

SEC. 133. Section 4003 of the Family Code is amended to read:

4003. In any case in which the support of a child is at issue, the court may, upon a showing of good cause, order a separate trial on that issue. The separate trial shall be given preference over other civil cases, except matters to which special precedence may be given by law, for assigning a trial date. If the court has also ordered a separate trial on the issue of custody pursuant to Section 3023, the two issues shall be tried together.

SEC. 134. Section 4004 of the Family Code is amended to read:

4004. In a proceeding where there is at issue the support of a child, the court shall require the parties to reveal whether a party is currently receiving, or intends to apply for, public assistance under the Family Economic Security Act of 1982 (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code) for the maintenance of the child.

SEC. 135. Section 4005 of the Family Code is repealed.

SEC. 136. Section 4010 of the Family Code is amended to read:

4010. In a proceeding in which the court orders a payment for the support of a child, the court shall, at the time of providing written notice of the order, provide the parties with a document describing the procedures by which the order may be modified.

SEC. 137. Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 of the Family Code is repealed.

SEC. 138. Article 2 (commencing with Section 4050) is added to Chapter 2 of Part 2 of Division 9 of the Family Code, to read:

Article 2. Statewide Uniform Guideline

4050. In adopting the statewide uniform guideline provided in this article, it is the intention of the Legislature to ensure that this state remains in compliance with federal regulations for child support guidelines.

4051. This article takes effect on July 1, 1992.

4052. The court shall adhere to the statewide uniform guideline and may depart from the guideline only in the special circumstances set forth in this article.

4053. In implementing the statewide uniform guideline, the courts shall adhere to the following principles:

(a) A parent's first and principal obligation is to support his or her minor children according to the parent's circumstances and station in life.

(b) Both parents are mutually responsible for the support of their children.

(c) The guideline takes into account each parent's actual income and level of responsibility for the children.

(d) Each parent should pay for the support of the children according to his or her ability.

(e) The guideline seeks to place the interests of children as the state's top priority.

(f) Children should share in the standard of living of both parents. Child support may therefore appropriately improve the standard of living of the custodial household to improve the lives of the children.

(g) Child support orders in cases in which both parents have high levels of responsibility for the children should reflect the increased costs of raising the children in two homes and should minimize significant disparities in the children's living standards in the two homes.

(h) The financial needs of the children should be met through private financial resources as much as possible.

(i) It is presumed that a parent having primary physical responsibility for the children contributes a significant portion of available resources for the support of the children.

(j) The guideline seeks to encourage fair and efficient settlements of conflicts between parents and seeks to minimize the need for litigation.

(k) The guideline is intended to be presumptively correct in all

cases, and only under special circumstances should child support orders fall below the child support mandated by the guideline formula.

(*l*) Child support orders must ensure that children actually receive fair, timely, and sufficient support reflecting the state's high standard of living and high costs of raising children compared to other states.

4054. (a) The Judicial Council shall periodically review the statewide uniform guideline to recommend to the Legislature appropriate revisions.

(b) The review shall include economic data on the cost of raising children and analysis of case data, gathered through sampling or other methods, on the actual application of the guideline after the guideline's operative date. The review shall also include analysis of guidelines and studies from other states, and other research and studies available to or undertaken by the Judicial Council.

(c) Any recommendations for revisions to the guideline shall be made to ensure that the guideline results in appropriate child support orders, to limit deviations from the guideline, or otherwise to help ensure that the guideline is in compliance with federal law.

(d) The Judicial Council may also review and report on other matters, including, but not limited to, the following:

(1) The treatment of the income of a subsequent spouse or nonmarital partner.

(2) The treatment of children from prior or subsequent relationships.

(3) The application of the guideline in a case where a payor parent has extraordinarily low or extraordinarily high income, or where each parent has primary physical custody of one or more of the children of the marriage.

(4) The benefits and limitations of a uniform statewide spousal support guideline and the interrelationship of that guideline with the state child support guideline.

(5) Whether the use of gross or net income in the guideline is preferable.

(6) Whether the guideline affects child custody litigation or the efficiency of the judicial process.

(7) Whether the various assumptions used in computer software used by some courts to calculate child support comport with state law and should be made available to parties and counsel.

(e) The initial review by the Judicial Council shall be submitted to the Legislature and to the State Department of Social Services on or before December 31, 1993, and subsequent reviews shall occur at least every four years thereafter unless federal law requires a different interval.

(f) In developing its recommendations, the Judicial Council shall consult with a broad cross-section of groups involved in child support issues, including, but not limited to, the following:

(1) Custodial and noncustodial parents.

(2) Representatives of established women's rights and fathers' rights groups.

(3) Representatives of established organizations that advocate for the economic well-being of children.

(4) Members of the judiciary, district attorney's offices, the Attorney General's office, and the State Department of Social Services.

(5) Certified family law specialists.

(6) Academicians specializing in family law.

(7) Persons representing low-income parents.

(8) Persons representing recipients of assistance under the Aid to Families with Dependent Children (AFDC) program seeking child support services.

(g) In developing its recommendations, the Judicial Council shall seek public comment and shall be guided by the legislative intent that children share in the standard of living of both of their parents.

4055. (a) The statewide uniform guideline for determining child support orders is as follows: CS = K [HN − (H%) (TN)].

(b) (1) The components of the formula are as follows:

(A) CS = child support amount.

(B) K = amount of income to be allocated for child support as set forth in paragraph (3).

(C) HN = high earner's net monthly disposable income.

(D) H% = approximate percentage of time that the high earner has or will have primary physical responsibility for the children compared to the other parent. In cases in which parents have different time-sharing arrangements for different children, H% equals the average of the approximate percentages of time the high earner parent spends with each child.

(E) TN = total net monthly disposable income of both parties.

(2) To compute net disposable income, see Section 4059.

(3) K (amount of income allocated for child support) equals one plus H% (if H% is less than or equal to 50 percent) or two minus H% (if H% is greater than 50 percent) times the following fraction:

Total Net Disposable Income Per Month	K
$0–800	0.20 + TN/16,000
$801–7,000	0.25
$7,001–10,000	0.20 + 350/TN
$10,001–20,000	0.16 + 400/TN
Over $20,000	0.12 + 800/TN

For example, if H% equals 20 percent and the total monthly net disposable income of the parents is $1,000, K = (1 + 0.20) × 0.25, or 0.30. If H% equals 80 percent and the total monthly net disposable income of the parents is $1,000, K = (2 − 0.80) × 0.25, or 0.30.

(4) For more than one child, multiply CS by:

2 children	1.6
3 children	2
4 children	2.3
5 children	2.5
6 children	2.625
7 children	2.75
8 children	2.813
9 children	2.844
10 children	2.86

(5) If the amount calculated under the formula results in a positive number, the higher earner shall pay that amount to the lower earner. If the amount calculated under the formula results in a negative number, the lower earner shall pay the absolute value of that amount to the higher earner.

(6) If the children who are the subject of the child support order are receiving assistance under the Aid to Families with Dependent Children (AFDC) program, H% shall be set at zero in the formula.

(7) In any default proceeding where proof is by affidavit pursuant to Section 2336, or in any proceeding for child support in which a party fails to appear after being duly noticed, H% shall be set at zero in the formula if the noncustodial parent is the higher earner or at 100 if the custodial parent is the higher earner, where there is no evidence presented demonstrating the percentage of time that the noncustodial parent has primary physical responsibility for the children.

(8) Unless the court orders otherwise, the order for child support shall allocate the support amount so that the amount of support for the youngest child is the amount of support for one child, and the amount for the next youngest child is the difference between that amount and the amount for two children, with similar allocations for additional children. However, this paragraph does not apply to cases where there are different time-sharing arrangements for different children or where the court determines that the allocation would be inappropriate in the particular case.

4056. At the request of any party, the court shall state, in writing or on the record, the following information used in determining the statewide uniform guideline amount:

(a) The net monthly disposable income of each parent.

(b) The actual federal income tax filing status of each parent (for example, single, married, married filing separately, or head of household and number of exemptions).

(c) Deductions from gross income for each parent.

(d) The approximate percentage of time pursuant to paragraph (1) of subdivision (b) of Section 4055 that each parent has primary physical responsibility for the children compared to the other parent.

(e) The amount of support that would be received under the formula.

(f) Any rebuttal factors found under subdivision (b) of Section 4057.

(g) A finding that the revised amount is in the best interests of the children.

(h) Any other findings required by federal law.

4057. (a) The amount of child support established by the formula provided in subdivision (a) of Section 4055 is presumed to be the correct amount of child support to be ordered.

(b) The presumption of subdivision (a) is a rebuttable presumption affecting the burden of proof and may be rebutted by admissible evidence showing that application of the formula would be unjust or inappropriate in the particular case, consistent with the principles set forth in Section 4053, because one or more of the following factors is found to be applicable by a preponderance of the evidence, and the court finds, in writing or on the record, that application of the formula would be unjust or inappropriate in the particular case and that the revised amount is in the best interests of the children:

(1) The parties have stipulated to a different amount of child support under subdivision (a) of Section 4065.

(2) The sale of the family residence is deferred pursuant to Chapter 8 (commencing with Section 3800) of Part 1 and the rental value of the family residence in which the children reside exceeds the mortgage payments, homeowner's insurance, and property taxes. The amount of any adjustment pursuant to this paragraph shall not be greater than the excess amount.

(3) A parent's subsequent spouse or nonmarital partner has income that helps meet that parent's basic living expenses, thus increasing the parent's disposable income available to spend on the children.

(4) The parent being ordered to pay child support has an extraordinarily high income and the amount determined under the formula would exceed the needs of the children.

(5) A party is not contributing to the needs of the children at a level commensurate with that party's custodial time.

(6) Application of the formula would be unjust or inappropriate due to special circumstances in the particular case. These special circumstances include, but are not limited to, the following:

(A) Cases in which the parents have different time-sharing arrangements for different children.

(B) Cases in which both parents have substantially equal time-sharing of the children and one parent has a much lower or higher percentage of income used for housing than the other parent.

(C) Cases in which the children have special medical or other needs that could require child support that would be greater than the formula amount.

4058. (a) The annual gross income of each parent means income from whatever source derived, except as specified in subdivision (c) and includes, but is not limited to, 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, social security benefits, and spousal support actually received from a person not a party to the proceeding to establish a child support order under this article.

(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) In the discretion of the court, employee benefits or self-employment benefits, taking into consideration the benefit to the employee, any corresponding reduction in living expenses, and other relevant facts.

(b) The court may, in its discretion, consider the earning capacity of a parent in lieu of the parent's income, consistent with the best interests of the children.

(c) Annual gross income does 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. Child support received by a party for children from another relationship shall not be included as part of that party's gross or net income.

4059. The annual net disposable income of each parent shall be computed by deducting from his or her annual gross income the actual amounts attributable to the following items or other items permitted under this article:

(a) The state and federal income tax liability resulting from the parties' taxable income. 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. State and federal income taxes shall be those actually payable (not necessarily current withholding) after considering appropriate filing status, all available exclusions, deductions, and credits. Unless the parties stipulate otherwise, the tax effects of spousal support shall not be considered in determining the net disposable income of the parties for determining child support, but shall be considered in determining spousal support consistent with Chapter 3 (commencing with Section 4330) of Part 3.

(b) 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.

(c) Deductions for mandatory union dues and retirement benefits, provided that they are required as a condition of employment.

(d) Deductions for health insurance or health plan premiums for

the parent and for any children the parent has an obligation to support and deductions for state disability insurance premiums.

(e) 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 order 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 guideline, for natural or adopted children of the parent not residing in that parent's home, who are not the subject of the order to be established by the court, and of whom the parent has a duty of support. Unless the parent proves payment of the support, no deduction shall be allowed under this subdivision.

(f) Job-related expenses, if allowed by the court after consideration of whether the expenses are necessary, the benefit to the employee, and any other relevant facts.

(g) A deduction for hardship, as defined by Sections 4070 to 4073, inclusive, and applicable published appellate court decisions. The amount of the hardship shall not be deducted from the amount of child support, but shall be deducted from the income of the party to whom it applies. In applying any hardship under paragraph (2) of subdivision (a) of Section 4071, the court shall seek to provide equity between competing child support orders.

4060. The monthly net disposable income shall be computed by dividing the annual net disposable income by 12. If the monthly net disposable income figure does not accurately reflect the actual or prospective earnings of the parties at the time the determination of support is made, the court may adjust the amount appropriately.

4061. The amounts in Section 4062, if ordered to be paid, shall be considered additional support for the children and shall be computed in accordance with the following:

(a) If there needs to be an apportionment of expenses pursuant to Section 4062, the expenses shall be divided one-half to each parent, unless either parent requests a different apportionment pursuant to subdivision (b) and presents documentation which demonstrates that a different apportionment would be more appropriate.

(b) If requested by either parent, and the court determines it is appropriate to apportion expenses under Section 4062 other than one-half to each parent, the apportionment shall be as follows:

(1) The basic child support obligation shall first be computed using the formula set forth in subdivision (a) of Section 4055, as adjusted for any appropriate rebuttal factors in subdivision (b) of Section 4057.

(2) Any additional child support required for expenses pursuant to Section 4062 shall thereafter be ordered to be paid by the parents in proportion to their net disposable incomes as adjusted pursuant to subdivisions (c) and (d).

(c) In cases where spousal support is or has been ordered to be paid by one parent to the other, for purposes of allocating additional expenses pursuant to Section 4062, the gross income of the parent

paying spousal support shall be decreased by the amount of the spousal support paid and the gross income of the parent receiving the spousal support shall be increased by the amount of the spousal support received for as long as the spousal support order is in effect and is paid.

(d) For purposes of computing the adjusted net disposable income of the parent paying child support for allocating any additional expenses pursuant to Section 4062, the net disposable income of the parent paying child support shall be reduced by the amount of any basic child support ordered to be paid under subdivision (a) of Section 4055. However, the net disposable income of the parent receiving child support shall not be increased by any amount of child support received.

4062. (a) The court shall order the following as additional child support:

(1) Child care costs related to employment or to reasonably necessary education or training for employment skills.

(2) The reasonable uninsured health care costs for the children. There is a rebuttable presumption that the costs actually paid for the uninsured health care needs of the children are reasonable.

(b) The court may order the following as additional child support:

(1) Costs related to the educational or other special needs of the children.

(2) Travel expenses for visitation.

4063. Unless there is an assignment of rights pursuant to Section 11477 of the Welfare and Institutions Code, any payment ordered pursuant to Section 4062 may be ordered paid directly to a provider of services.

4064. The court may adjust the child support order as appropriate to accommodate seasonal or fluctuating income of either parent.

4065. (a) Unless prohibited by applicable federal law, the parties may stipulate to a child support amount subject to approval of the court. However, the court shall not approve a stipulated agreement unless the parties declare all of the following:

(1) They are fully informed of their rights concerning child support.

(2) The order is being agreed to without coercion or duress.

(3) The agreement is in the best interests of the children involved.

(4) The needs of the children will be adequately met by the stipulated amount.

(b) A stipulated agreement of child support is not valid unless either of the following occurs:

(1) The parties declare the right to support has not been assigned to the county pursuant to Section 11477 of the Welfare and Institutions Code and no public assistance application is pending.

(2) The district attorney has joined in the stipulation by signing it. The district attorney shall not stipulate to a child support order below the guideline amount if the children are receiving assistance under the Aid to Families with Dependent Children (AFDC)

program, if an application for public assistance is pending, or if the parent receiving support has not consented to the order.

(c) If the parties to a stipulated agreement stipulate to a child support order below the amount established by the statewide uniform guideline, no change of circumstances need be demonstrated to obtain a modification of the child support order to the applicable guideline level or above.

4066. Orders and stipulations otherwise in compliance with the statewide uniform guideline may designate as "family support" an unallocated total sum for support of the spouse and any children without specifically labeling all or any portion as "child support" as long as the amount is adjusted to reflect the effect of additional deductibility. The amount of the order shall be adjusted to maximize the tax benefits for both parents.

4067. It is the intent of the Legislature that the statewide uniform guideline shall be reviewed by the Legislature at least every four years and shall be revised by the Legislature as appropriate to ensure that its application results in the determination of appropriate child support amounts. The review shall include consideration of changes required by applicable federal laws and regulations or recommended from time to time by the Judicial Council pursuant to Section 4054.

4068. The Judicial Council may develop the following:

(a) Model worksheets to assist parties in determining the approximate amount of child support due under the formula provided in subdivision (a) of Section 4055 and the approximate percentage of time each parent has primary physical responsibility for the children.

(b) A form to assist the courts in making the findings and orders required by this article.

4069. The establishment of the statewide uniform guideline constitutes a change of circumstances for the purpose of any modification of child support order entered before the guideline's operative date.

4070. If a parent is experiencing extreme financial hardship due to justifiable expenses resulting from the circumstances enumerated in Section 4071, on the request of a party, the court may allow the income deductions under Section 4059 that may be necessary to accommodate those circumstances.

4071. (a) Circumstances evidencing hardship include the following:

(1) Extraordinary health expenses for which the parent is financially responsible, and uninsured catastrophic losses.

(2) The minimum basic living expenses of either parent's natural or adopted children for whom the parent has the obligation to support from other marriages or relationships who reside with the parent. The court, on its own motion or on the request of a party, may allow income deductions necessary to accommodate these expenses after making the deductions allowable under paragraph (1).

(b) The maximum hardship deduction under paragraph (2) of subdivision (a) for each child who resides with the parent may be equal to, but shall not exceed, the support awarded each child subject to the order. For purposes of calculating this deduction, the amount of support per child established by the statewide uniform guideline shall be the total amount ordered divided by the number of children and not the amount established under paragraph (8) of subdivision (b) of Section 4055.

(c) The Judicial Council may develop tables in accordance with this section to reflect the maximum hardship deduction, taking into consideration the parent's net disposable income before the hardship deduction, the number of children for whom the deduction is being given, and the number of children for whom the support award is being made.

4072. (a) If a deduction for hardship expenses is allowed, the court shall do both of the following:

(1) State the reasons supporting the deduction in writing or on the record.

(2) Document the amount of the deduction and the underlying facts and circumstances.

(b) Whenever possible, the court shall specify the duration of the deduction.

4073. The court shall be guided by the goals set forth in this article when considering whether or not to allow a financial hardship deduction, and, if allowed, when determining the amount of the deduction.

4074. This article applies to an award for the support of children, including those awards designated as "family support," that contain provisions for the support of children as well as for the support of the spouse.

4075. This article shall not be construed to affect the treatment of spousal support and separate maintenance payments pursuant to Section 71 of the Internal Revenue Code of 1954 (26 U.S.C. Sec. 71).

SEC. 139. Article 3 (commencing with Section 4100) of Chapter 2 of Part 2 of Division 9 of the Family Code is repealed.

SEC. 139.5. The heading of Article 4 (commencing with Section 4200) of Chapter 2 of Part 2 of Division 9 of the Family Code is amended to read:

Article 3. Payment to Court Designated County Officer; Enforcement by District Attorney

SEC. 140. Section 4200 of the Family Code is amended to read:

4200. In any proceeding where a court makes or has made an order requiring the payment of child support to a parent receiving welfare moneys for the maintenance of children for whom support may be ordered, the court shall do both of the following:

(a) Direct that the payments of support shall be made to the county officer designated by the court for that purpose.

(b) Direct the district attorney to appear on behalf of the welfare recipient in any proceeding to enforce the order.

SEC. 141. Section 4201 of the Family Code is amended to read:

4201. In any proceeding where a court makes or has made an order requiring the payment of child support to the person having custody of a child for whom support may be ordered, the court may do either or both of the following:

(a) Direct that the payments shall be made to the county officer designated by the court for that purpose.

(b) Direct the district attorney to appear on behalf of the minor children in any proceeding to enforce the order.

SEC. 141.5. Section 4321 of the Family Code is amended to read:

4321. In a judgment of dissolution of marriage or legal separation of the parties, the court may deny support to a party out of the separate property of the other party in any of the following circumstances:

(a) The party has separate property, or is earning the party's own livelihood, or there is community property or quasi-community property sufficient to give the party proper support.

(b) The custody of the children has been awarded to the other party, who is supporting them.

SEC. 142. Section 4502 of the Family Code is repealed.

SEC. 143. Section 4502 is added to the Family Code, to read:

4502. Notwithstanding any other provision of law, a judgment for child, family, or spousal support, including a judgment for reimbursement or other arrearages, is exempt from any requirement that judgments be renewed. A judgment for child, family, or spousal support, including all lawful interest and penalties computed thereon, is enforceable until paid in full.

SEC. 144. Section 4573 of the Family Code is amended to read:

4573. If support is ordered to be paid through the district attorney on behalf of a child not receiving public assistance pursuant to the Family Economic Security Act of 1982 (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), the district attorney shall forward the support received pursuant to this chapter to the custodial parent or other person having care or control of the child or children involved.

SEC. 145. Section 4610 of the Family Code is amended to read:

4610. (a) Subject to Sections 4613, 4614, and 4615, in any proceeding where the court has ordered either or both parents to pay any amount for the support of a child for whom support may be ordered, upon an order to show cause or notice of motion, application, and declaration signed under penalty of perjury by the person or county officer to whom support has been ordered to have been paid stating that the parent or parents so ordered is in arrears in payment in a sum equal to the amount of 60 days of payments, the court shall issue to the parent or parents ordered to pay support, following notice and opportunity for a hearing, an order requiring

that the parent or parents deposit assets to secure future support payments with the deposit holder designated by the court.

(b) In a proceeding under this article, upon request of any party, the court may also issue an ex parte restraining order as specified in Section 4620.

SEC. 146. Section 4614 of the Family Code is amended to read:

4614. The designation of assets subject to an order pursuant to this article shall be based upon concern for maximizing the liquidity and ready conversion into cash of the deposited asset. In all instances, the assets shall include a sum of money up to or equal in value to one year of support payments or six thousand dollars ($6,000) whichever is less, or any other assets, personal or real, designated by the court which equal in value up to one year of payments for support of the child, or six thousand dollars ($6,000), whichever is less, subject to Section 703.070 of the Code of Civil Procedure.

SEC. 147. Section 4630 of the Family Code is amended to read:

4630. (a) Upon an obligor-parent's failure, within the time specified by the court, to make reasonable efforts to cure the default in child support payments or to comply with a court-approved payment plan, if payments continue in arrears, the deposit holder shall, not less than 25 days after providing the obligor-parent or parents with a written notice served personally or with return receipt requested, unless a motion or order to show cause has been filed to stop the use or sale, use the money or sell or otherwise process the deposited assets for an amount sufficient to pay the arrearage and the amount ordered by the court for the support currently due for the child for whom support may be ordered.

(b) Assets deposited pursuant to an order issued under Article 2 (commencing with Section 4610) shall be construed as being assets subject to levy pursuant to Article 6 (commencing with Section 701.510) of Chapter 3 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure. The sale of assets shall be conducted in accordance with Article 6 (commencing with Section 701.510) and Article 7 (commencing with Section 701.810) of Chapter 3 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(c) The deposit holder may deduct from the deposited money the sum of one dollar ($1) for each payment made pursuant to this section.

SEC. 148. Section 4729 of the Family Code is amended to read:

4729. The district attorney or any other agency providing support enforcement services pursuant to Title IV-D of the federal Social Security Act shall enforce child support obligations utilizing the penalties provided for by this chapter to the extent permitted by federal law upon implementation of the Statewide Automated Child Support System (SACSS) prescribed in Section 10815 of the Welfare and Institutions Code and certification of the SACSS by the United States Department of Health and Human Services.

SEC. 149. Section 4730 of the Family Code is amended to read:

4730. At any hearing to set or modify the amount payable for the

support of a child, the court shall not consider any penalties imposed under this chapter in determining the amount of current support to be paid.

SEC. 150. Section 4733 is added to the Family Code, to read:

4733. Penalties collected pursuant to this chapter shall be paid to the custodian of the child who is the subject of the child support judgment or order, whether or not the child is a recipient of public assistance.

SEC. 151. Section 4849 of the Family Code is amended to read:

4849. The obligee may register a foreign support order in a court of this state in the manner, with the effect, and for the purposes provided in this article.

SEC. 152. Section 4853 of the Family Code is amended to read:

4853. (a) Except as specified in this section, upon registration, the registered foreign support order shall be treated in the same manner as a support order issued by a court of this state. It has the same effect and is subject to the same procedures, defenses, and proceedings for reopening, vacating, or staying as a support order of this state and may be enforced and satisfied in like manner. Except as specified in this section, upon registration, a foreign order for the assignment of wages for support shall be treated for all purposes in the same manner as an earnings assignment order for support entered pursuant to Chapter 8 (commencing with Section 5200).

(b) The obligor has 20 days after the mailing or other service of notice of the registration of a foreign order of support or assignment of wages in which to file a noticed motion requesting the court to vacate the registration or for other relief. In an action under this section, there shall be no joinder of actions, coordination of actions, or cross-complaints, and the claims or defenses shall be limited strictly to the identity of the obligor, the validity of the underlying foreign support order or foreign order for the assignment of wages, or the accuracy of the obligee's statement of the amount of support remaining unpaid unless the amount has been previously established by a judgment or order. The obligor shall serve a copy of the motion, personally or by first-class mail, on the office of the district attorney, private attorney representing the obligee, or obligee representing himself or herself who filed the request for registration of the order, not less than 15 days prior to the date on which the motion is to be heard. If service is by mail, Section 1013 of the Code of Civil Procedure applies. If the obligor does not file the motion within 20 days, the registered foreign support order or foreign order for the assignment of wages and all other documents filed pursuant to subdivision (a) of Section 4852 are confirmed.

(c) At the hearing on the motion to vacate the registration of the order, the obligor may present only matters that would be available to the obligor as defenses in an action to enforce a support judgment. If the obligor shows and the court finds that an appeal from the order is pending or that a stay of execution has been granted, the court shall stay enforcement of the order until the appeal is concluded, the time

for appeal has expired, or the order is vacated, upon satisfactory proof that the obligor has furnished security for payment of the support ordered as required by the rendering state. If the obligor shows and the court finds any ground upon which enforcement of a support order of this state may be stayed, the court shall stay enforcement of the order for an appropriate period if the obligor furnishes the same security for payment of the support ordered that is required for a support order of this state.

(d) Registration of an out-of-state order for the sole purpose of interstate wage withholding does not confer jurisdiction on the court for any purpose other than income withholding.

SEC. 152.5. Section 5206 of the Family Code is amended to read:

5206. "Earnings," to the extent that they are subject to an earnings assignment order 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, include:

(a) Wages, salary, bonus, money, and benefits described in Sections 704.110, 704.113, and 704.115 of the Code of Civil Procedure.

(b) Payments due for services of independent contractors, dividends, rents, royalties, residuals, patent rights, or mineral or other natural resource rights.

(c) Payments or credits due or becoming due as a result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise.

(d) Payments due for workers' compensation temporary disability benefits.

(e) Any other payments or credits due or becoming due as a result of an enforceable obligation.

SEC. 153. Section 5245 of the Family Code is amended to read:

5245. Nothing in this chapter limits the authority of the district attorney to use any other civil and criminal remedies to enforce support obligations, regardless of whether or not the child or the obligee who is the parent, guardian, or other person entitled to receive payment is the recipient of welfare moneys.

SEC. 153.2. Section 5260 of the Family Code is amended to read:

5260. (a) The court may order that service of the assignment order be stayed only if the court makes a finding of good cause to stay service of the order. Notwithstanding any other provision of law, service of wage assignments issued for foreign orders for support, and service of foreign orders for the assignment of wages registered pursuant to Article 3 (commencing with Section 4820) of Chapter 6, shall not be stayed pursuant to this subdivision.

(b) Good cause to stay service of the assignment order is limited to any of the following:

(1) The obligor has a history of uninterrupted, full, and timely payment, other than through an assignment order or other mandatory process, of previously ordered support during the preceding 12 months. If the obligor has not been subject to an order of support for 12 months before the issuance of the assignment order,

the obligor may qualify for good cause under this paragraph if the obligor posts with the clerk of the court a cash bond or cash in an amount equal to three months' support. The court may not find good cause to stay service of the assignment order under this paragraph if the obligor owes an arrearage for prior support.

(2) The obligor proves and the court finds, by clear and convincing evidence, that service of the assignment order would cause extraordinary hardship upon the obligor. Whenever possible, the court shall specify a date that the stay ordered under this paragraph will automatically terminate.

(3) The parties sign a written agreement which provides for an alternative arrangement to ensure payment of the support obligation as ordered other than through the immediate service of an assignment order. The written agreement may include an agreement relating to the staying of the service of an assignment order. In a case where support is ordered to be paid through a county officer designated for that purpose, an agreement between the parties which includes the staying of the service of an assignment order shall include the agreement of the district attorney. The signing of an agreement pursuant to this paragraph does not preclude the party from seeking an assignment order in accordance with the procedures set forth in Section 5261 upon violation of the agreement.

(4) The employer or district attorney has been unable to deliver payments under the assignment order for a period of six months due to the failure of the obligee to notify the employer or district attorney of a change of address.

SEC. 153.5. Division 10 (commencing with Section 5500) of the Family Code is repealed.

SEC. 154. Division 10 (commencing with Section 6200) is added to the Family Code, to read:

DIVISION 10. PREVENTION OF DOMESTIC VIOLENCE

PART 1. SHORT TITLE AND DEFINITIONS

6200. This division may be cited as the Domestic Violence Prevention Act.

6201. Unless the provision or context otherwise requires, the definitions in this part govern the construction of this code.

6203. "Abuse" means intentionally or recklessly to cause or attempt to cause bodily injury, or sexual assault, or to place a person in reasonable apprehension of imminent serious bodily injury to that person or to another.

6205. "Affinity," when applied to the marriage relation, signifies the connection existing in consequence of marriage between each of the married persons and the blood relatives of the other.

6209. "Cohabitant" means a person who regularly resides in the household. "Former cohabitant" means a person who formerly

regularly resided in the household.

6211. "Domestic violence" is abuse perpetrated against any of the following persons:

(a) A spouse or former spouse.

(b) A cohabitant or former cohabitant, as defined in Section 6209.

(c) A person with whom the respondent is having or has had a dating or engagement relationship.

(d) A person with whom the respondent has had a child, where the presumption applies that the male parent is the father of the child of the female parent under the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12).

(e) A child of a party or a child who is the subject of an action under the Uniform Parentage Act, where the presumption applies that the male parent is the father of the child to be protected.

(f) Any other person related by consanguinity or affinity within the second degree.

6215. "Emergency protective order" means an order issued under Part 3 (commencing with Section 6240).

6218. "Protective order" means an order that includes any of the following restraining orders, whether issued ex parte, after notice and hearing, or in a judgment:

(a) An order described in Section 6320 enjoining specific acts of abuse.

(b) An order described in Section 6321 excluding a person from a dwelling.

(c) An order described in Section 6322 enjoining other specified behavior.

PART 2. GENERAL PROVISIONS

6220. The purposes of this division are to prevent the recurrence of acts of violence and sexual abuse and to provide for a separation of the persons involved in the domestic violence for a period sufficient to enable these persons to seek a resolution of the causes of the violence.

6221. (a) Unless the provision or context otherwise requires, this division applies to any order described in this division, whether the order is issued in a proceeding brought pursuant to this division, in an action brought pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12), or in a proceeding for dissolution of marriage, for nullity of marriage, or for legal separation of the parties.

(b) Nothing in this division affects the jurisdiction of the juvenile court.

6222. (a) There is no filing fee for a petition or response filed in a proceeding brought pursuant to this division.

(b) Fees otherwise payable by a petitioner to a law enforcement agency for serving an order issued under this division may be waived in any case in which the petitioner has requested a fee waiver on the

initiating petition and has filed a declaration that demonstrates, to the satisfaction of the court, the financial need of the petitioner for the fee waiver.

(c) The declaration required by subdivision (b) shall be on one of the following forms:

(1) The form formulated and adopted by the Judicial Council for litigants proceeding in forma pauperis pursuant to Section 68511.3 of the Government Code, but the petitioner is not subject to any other requirements of litigants proceeding in forma pauperis.

(2) Any other form that the Judicial Council may adopt for this purpose pursuant to Section 6226.

(d) In conjunction with a hearing pursuant to this division, the court may make an order for the waiver of fees otherwise payable by the petitioner to a law enforcement agency for serving an order issued under this division.

6223. A custody or visitation order issued in a proceeding brought pursuant to this division is subject to Part 2 (commencing with Section 3020) of Division 8 (custody of children).

6224. An order described in this division shall state on its face the date of expiration of the order and the following statements in substantially the following form:

"This order is effective when made. The law enforcement agency shall enforce it immediately on receipt. It is enforceable anywhere in California by any law enforcement agency that has received the order or is shown a copy of the order. If proof of service on the restrained person has not been received, the law enforcement agency shall advise the restrained person of the terms of the order and then shall enforce it."

6225. A petition for an order described in this division is valid and the order is enforceable without explicitly stating the address of the petitioner or the petitioner's place of residence, school, employment, the place where the petitioner's child is provided child care services, or the child's school.

6226. The Judicial Council shall prescribe the form of the orders and any other documents required by this division and shall promulgate forms and instructions for applying for orders described in this division.

6227. The remedies provided in this division are in addition to any other civil or criminal remedies that may be available to the petitioner.

PART 3. EMERGENCY PROTECTIVE ORDERS

CHAPTER 1. GENERAL PROVISIONS

6240. As used in this part:

(a) "Judicial officer" means a judge, commissioner, or referee designated under Section 6241.

(b) "Law enforcement officer" means one of the following

officers who requests or enforces an emergency protective order under this part:

(1) A police officer.

(2) A sheriff's officer.

(3) A peace officer of the Department of Parks and Recreation, as defined in subdivision (g) of Section 830.2 of the Penal Code.

6241. The presiding judge of the superior court in each county shall designate at least one judge, commissioner, or referee to be reasonably available to issue orally, by telephone or otherwise, emergency protective orders at all times whether or not the court is in session.

CHAPTER 2. ISSUANCE AND EFFECT OF EMERGENCY PROTECTIVE ORDER

6250. A judicial officer may issue an ex parte emergency protective order where a law enforcement officer asserts reasonable grounds to believe either or both of the following:

(a) That a person is in immediate and present danger of domestic violence, based on the person's allegation of a recent incident of abuse or threat of abuse by the person against whom the order is sought.

(b) That a child is in immediate and present danger of abuse by a family or household member, based on an allegation of a recent incident of abuse or threat of abuse by the family or household member.

6251. An emergency protective order may be issued only if the judicial officer finds both of the following:

(a) That reasonable grounds have been asserted to believe that an immediate and present danger of domestic violence exists or that a child is in immediate and present danger of abuse.

(b) That an emergency protective order is necessary to prevent the occurrence or recurrence of domestic violence or child abuse.

6252. An emergency protective order may include any of the following specific orders, as appropriate:

(a) A protective order, as defined in Section 6218.

(b) An order determining the temporary care and control of any minor child of the endangered person and the person against whom the order is sought.

(c) An order authorized in Section 213.5 of the Welfare and Institutions Code, including provisions placing the temporary care and control of the endangered child and any other minor children in the family or household with the parent or guardian of the endangered child who is not a restrained party.

6253. An emergency protective order shall include all of the following:

(a) A statement of the grounds asserted for the order.

(b) The date and time the order expires.

(c) The address of the superior court for the district or county in

which the endangered person resides.

(d) The following statements, which shall be printed in English and Spanish:

(1) "To the Protected Person: This order will last only until the date and time noted above. If you wish to seek continuing protection, you will have to apply for an order from the court, at the address noted above. You may seek the advice of an attorney as to any matter connected with your application for any future court orders. The attorney should be consulted promptly so that the attorney may assist you in making your application."

(2) "To the Restrained Person: This order will last until the date and time noted above. The protected party may, however, obtain a more permanent restraining order from the court. You may seek the advice of an attorney as to any matter connected with the application. The attorney should be consulted promptly so that the attorney may assist you in responding to the application."

(e) In the case of an endangered child, the following statement, which shall be printed in English and Spanish: "This order will last only until the date and time noted above. You may apply for a more permanent restraining order under Section 213.5 of the Welfare and Institutions Code from the court at the address noted above. You may seek the advice of an attorney in connection with the application for a more permanent restraining order."

6254. The fact that the endangered person has left the household to avoid abuse does not affect the availability of an emergency protective order.

6255. An emergency protective order shall be issued without prejudice to any person.

6256. An emergency protective order expires not later than the close of judicial business on the second day of judicial business following the day of its issuance.

6257. If an emergency protective order concerns an endangered child, the child's parent or guardian who is not a restrained person, or a person having temporary custody of the endangered child, may apply to the court for a restraining order under Section 213.5 of the Welfare and Institutions Code.

CHAPTER 3. DUTIES OF LAW ENFORCEMENT OFFICER

6270. A law enforcement officer who requests an emergency protective order shall reduce the order to writing and sign it.

6271. A law enforcement officer who requests an emergency protective order shall do all of the following:

(a) Serve the order on the restrained person, if the restrained person can reasonably be located.

(b) Give a copy of the order to the protected person or, if the protected person is a minor child, to a parent or guardian of the endangered child who is not a restrained person, if the parent or guardian can reasonably be located, or to a person having temporary

custody of the endangered child.

(c) File a copy of the order with the court as soon as practicable after issuance.

6272. (a) A law enforcement officer shall use every reasonable means to enforce an emergency protective order.

(b) A law enforcement officer who acts in good faith to enforce an emergency protective order is not civilly or criminally liable.

6273. A law enforcement officer who requests an emergency protective order shall carry copies of the order while on duty.

PART 4. PROTECTIVE ORDERS AND OTHER DOMESTIC VIOLENCE PREVENTION ORDERS

CHAPTER 1. GENERAL PROVISIONS

6300. An order may be issued under this part, with or without notice, to restrain any person for the purpose of preventing a recurrence of domestic violence and ensuring a period of separation of the persons involved, if an affidavit shows, to the satisfaction of the court, reasonable proof of a past act or acts of abuse.

6301. (a) An order under this part may be granted to any person described in Section 6211.

(b) The right to petition for relief shall not be denied because the petitioner has vacated the household to avoid abuse, and in the case of a marital relationship, notwithstanding that a petition for dissolution of marriage, for nullity of marriage, or for legal separation of the parties has not been filed.

6302. An order issued under this part shall set forth on its face a notice in substantially the following form:

"NOTICE TO RESTRAINED PERSON: If you do not appear at the court hearing specified herein, the court may grant the requested orders for a period of up to 3 years without further notice to you."

6303. (a) It is the function of a support person to provide moral and emotional support for a person who alleges he or she is a victim of domestic violence. The support person shall assist the person in feeling more confident that he or she will not be injured or threatened by the other party during the proceedings where the person and the other party must be present in close proximity. The support person is not present as a legal advisor and shall not give legal advice.

(b) A support person may accompany either party to any proceeding to obtain a protective order, as defined in Section 6218. Where the party is not represented by an attorney, the support person may sit with the party at the table that is generally reserved for the party and the party's attorney.

(c) Notwithstanding any other provision of law to the contrary, if a court has issued a protective order, a support person may accompany a party protected by the order during a mediation

session held pursuant to a proceeding described in Section 3021. The agency charged with providing family court services shall advise the party protected by the order of the right to have a support person during mediation. A mediator may exclude a support person from a mediation session if the support person participates in the mediation session, or acts as an advocate, or the presence of a particular support person is disruptive or disrupts the process of mediation. The presence of the support person does not waive the confidentiality of the mediation, and the support person is bound by the confidentiality of the mediation.

(d) In a proceeding subject to this section, a support person may accompany a party in court where there are allegations or threats of domestic violence and, where the party is not represented by an attorney, may sit with the party at the table that is generally reserved for the party and the party's attorney.

(e) Nothing in this section precludes a court from exercising its discretion to remove a person from the courtroom who it believes is prompting, swaying, or influencing the party protected by the order.

6304. When making a protective order, as defined in Section 6218, where both parties are present in court, the court shall inform both the petitioner and the respondent of the terms of the order, including notice that the respondent is prohibited from purchasing or receiving or attempting to purchase or receive a firearm, and including notice of the penalty for violation.

6305. The court may not issue a mutual order enjoining the parties from specific acts of abuse described in Section 6320 unless both parties personally appear and each party presents written evidence of abuse or domestic violence. In this case, written evidence is not required if both parties agree that this requirement does not apply.

CHAPTER 2. ISSUANCE OF ORDERS

Article 1. Ex Parte Orders

6320. The court may issue an ex parte order enjoining a party from contacting, molesting, attacking, striking, threatening, sexually assaulting, battering, telephoning, contacting repeatedly by mail with the intent to harass, or disturbing the peace of the other party, and, in the discretion of the court, on a showing of good cause, of other named family and household members.

6321. (a) The court may issue an ex parte order excluding a party from the family dwelling, the dwelling of the other party, the common dwelling of both parties, or the dwelling of the person who has care, custody, and control of a child to be protected from domestic violence for the period of time and on the conditions the court determines, regardless of which party holds legal or equitable title or is the lessee of the dwelling.

(b) The court may issue an order under subdivision (a) only on

a showing of all of the following:

(1) Facts sufficient for the court to ascertain that the party who will stay in the dwelling has a right under color of law to possession of the premises.

(2) That the party to be excluded has assaulted or threatens to assault the other party or any other person under the care, custody, and control of the other party, or any minor child of the parties or of the other party.

(3) That physical or emotional harm would otherwise result to the other party, to any person under the care, custody, and control of the other party, or to any minor child of the parties or of the other party.

6322. The court may issue an ex parte order enjoining a party from specified behavior that the court determines is necessary to effectuate orders under Section 6320 or 6321.

6323. Subject to Section 3064:

(a) The court may issue an ex parte order determining the temporary custody of a minor child on the conditions the court determines.

(b) The court may issue an ex parte order determining the right of a party to visit a minor child on the conditions the court determines in a proceeding for dissolution of marriage, nullity of marriage, or legal separation of the parties, in an action under the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12), or in a proceeding commenced under this division in the case of a marital relationship between the parties.

6324. The court may issue an ex parte order 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 period the order is in effect.

6325. The court may issue an ex parte order restraining a married person from specified acts in relation to community, quasi-community, and separate property as provided in Section 2045.

6326. Part 4 (commencing with Section 240) of Division 2 applies to the issuance of an ex parte order under this article.

Article 2. Orders Issuable After Notice and Hearing

6340. (a) The court may issue any of the orders described in Article 1 (commencing with Section 6320) after notice and a hearing.

(b) The court may issue an order described in Section 6321 excluding a person from a dwelling if the court finds that physical or emotional harm would otherwise result to the other party, to a person under the care, custody, and control of the other party, or to a minor child of the parties or of the other party.

6341. (a) If there is a presumption under Section 7611 that the respondent is the natural father of a minor child, and the child is in the custody of the petitioner, after notice and a hearing, the court may order a party to pay an amount necessary for the support and maintenance of the child if the order would otherwise be authorized

in an action brought pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12).

(b) An order issued pursuant to this section shall be without prejudice in an action brought pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12).

6342. (a) After notice and a hearing, the court may issue any of the following orders:

(1) An order that restitution be paid to the petitioner for loss of earnings and out-of-pocket expenses, including, but not limited to, expenses for medical care and temporary housing, incurred as a direct result of the abuse inflicted by the respondent or any actual physical injuries sustained from the abuse.

(2) An order that restitution be paid by the petitioner for out-of-pocket expenses incurred by a party as a result of an ex parte order that is found by the court to have been issued on facts shown at a noticed hearing to be insufficient to support the order.

(3) An order that restitution be paid by the respondent to any public or private agency for the reasonable cost of providing services to the petitioner required as a direct result of the abuse inflicted by the respondent or any actual injuries sustained therefrom.

(b) An order for restitution under this section shall not include damages for pain and suffering.

6343. (a) Subject to subdivision (d), after notice and a hearing, the court may issue an order requiring any party to participate in counseling with a licensed mental health professional, or through other community programs and services that provide appropriate counseling, including, but not limited to, mental health or substance abuse services, where it is shown that the parties intend to continue to reside in the same household or have continued to reside in the same household after previous instances of domestic violence. The court may also order a restrained party to participate in batterer's treatment counseling.

(b) Where there has been a history of domestic violence between the parties or where a protective order, as defined in Section 6218, is in effect, at the request of the party alleging domestic violence in a written declaration under penalty of perjury or who is protected by the order, the parties shall participate in counseling separately and at separate times.

(c) The court shall fix the costs and shall order the entire cost of the services to be borne by the parties in the proportions the court deems reasonable.

(d) Before issuing the court order requiring counseling, the court shall find that the financial burden created by the court order for counseling does not otherwise jeopardize a party's other financial obligations.

6344. After notice and a hearing, the court may issue an order for the payment of attorney's fees and costs of the prevailing party.

6345. (a) In the discretion of the court, an order issued after notice and a hearing under this article may have a duration of not

more than three years, unless otherwise terminated or extended by further order of the court either on written stipulation filed with the court or on the motion of a party.

(b) The failure to state the expiration date on the face of the form creates an order with a duration of three years from the date of issuance.

(c) Nothing in this section prohibits parties, by written stipulation, from creating an order with a permanent duration.

Article 3. Orders Included in Judgment

6360. A judgment entered in a proceeding for dissolution of marriage, for nullity of marriage, for legal separation of the parties, in a proceeding brought pursuant to this division, or in an action brought pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12) may include a protective order as defined in Section 6218.

6361. If an order is included in a judgment pursuant to this article, the judgment shall state on its face both of the following:

(a) Which provisions of the judgment are the orders.

(b) 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 a hearing.

CHAPTER 3. REGISTRATION AND ENFORCEMENT OF ORDERS

6380. The court shall order the petitioner or the attorney for the petitioner to deliver, or the county clerk to mail, a copy of an order issued under this part, or an extension, modification, or termination of the order, and any subsequent proof of service, by the close of the business day on which the order, extension, modification, or termination was made, to each local law enforcement agency designated by the petitioner or the attorney for the petitioner having jurisdiction over the residence of the petitioner, the residence of a party with care, custody, and control of a child to be protected from domestic violence, and other locations where the court determines that acts of domestic violence against the petitioner and any other person protected by the order are likely to occur.

6381. (a) Notwithstanding Section 6380 and subject to subdivision (b), an order issued under this part is enforceable in any place in this state.

(b) An order issued under this part 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 Section 6380 or has otherwise received a copy of the order, or the officer enforcing the order has been shown a copy of the order.

6382. Each appropriate law enforcement agency shall make available to any law enforcement officer responding to the scene of reported domestic violence, through an existing system for

verification, information as to the existence, terms, and current status of an order issued under this part.

6383. (a) An order issued under this part may, on request of the petitioner, be served on the respondent by any law enforcement officer who is present at the scene of reported domestic violence involving the parties to the proceeding.

(b) 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.

(c) It is a rebuttable presumption that the proof of service was signed on the date of service.

6384. (a) If a person named in an order issued under this part has not been served personally with the order but has received actual notice of the existence and substance of the order through personal appearance in court to hear the terms of the order from the court, no additional proof of service is required for enforcement of the order.

(b) The judicial forms for orders issued under this part shall contain a statement in substantially the following form:

"NO ADDITIONAL PROOF OF SERVICE IS REQUIRED IF THE FACE OF THIS FORM INDICATES THAT BOTH PARTIES WERE PERSONALLY PRESENT AT THE HEARING WHERE THE ORDER WAS ISSUED."

6385. (a) Except as provided in subdivision (b), on receipt of a copy of a protective order, as defined in Section 6218, together with the subsequent proof of service of the protective order, the local law enforcement agency having jurisdiction over the residence of the petitioner shall immediately notify the Department of Justice regarding the name, race, date of birth, and other personal descriptive information as required by a form prescribed by the Department of Justice, the date of issuance of the order, and the duration of the order or its expiration date.

(b) Proof of service of the protective order is not required for the purposes of this section if the order indicates on its face that both parties were personally present at the hearing where the order was issued and that, for the purpose of Section 6384, no proof of service is required.

(c) The failure of the petitioner to provide the Department of Justice with the personal descriptive information regarding the person restrained does not invalidate the protective order.

(d) If a court issues a modification, extension, or termination of the protective order described in subdivision (a), the court shall notify the law enforcement agency having jurisdiction over the residence of the petitioner. The law enforcement agency shall then immediately notify the Department of Justice.

(e) There is no civil liability on the part of, and no cause of action arises against, an employee of a local law enforcement agency or the Department of Justice, acting within the scope of employment, if a person described in subdivision (g) of Section 12021 of the Penal

Code unlawfully purchases or receives or attempts to purchase or receive a firearm and a person is injured by that firearm or a person who is otherwise entitled to receive a firearm is denied a firearm and either wrongful action is due to a failure of a court to provide the notification provided for in this section.

6386. (a) The court may, in its discretion, appoint counsel to represent the petitioner in a proceeding to enforce the terms of a protective order, as defined in Section 6218.

(b) In a proceeding in which private counsel was appointed by the court pursuant to subdivision (a), the court may order the respondent to pay reasonable attorney's fees and costs incurred by the petitioner.

6387. The court shall order the county clerk to provide to a petitioner, without cost, five certified, stamped, and endorsed copies of any order issued under this part, and of an extension, modification, or termination of the order.

6388. A willful and knowing violation of a protective order, as defined in Section 6218, is a crime punishable as provided by Section 273.6 of the Penal Code.

SEC. 155. Section 6924 of the Family Code is amended to read:

6924. (a) As used in this section:

(1) "Mental health treatment or counseling services" means the provision of mental health treatment or counseling on an outpatient basis by any of the following:

(A) A governmental agency.

(B) A person or agency having a contract with a governmental agency to provide the services.

(C) An agency that receives funding from community united funds.

(D) A runaway house or crisis resolution center.

(E) A professional person, as defined in paragraph (2).

(2) "Professional person" means any of the following:

(A) A person designated as a mental health professional in Sections 622 to 626, inclusive, of Article 8 of Subchapter 3 of Chapter 1 of Title 9 of the California Code of Regulations.

(B) A marriage, family and child counselor as defined in Chapter 13 (commencing with Section 4980) of Division 2 of the Business and Professions Code.

(C) A licensed educational psychologist as defined in Article 5 (commencing with Section 4986) of Chapter 13 of Division 2 of the Business and Professions Code.

(D) A credentialed school psychologist as described in Section 49424 of the Education Code.

(E) A clinical psychologist as defined in Section 1316.5 of the Health and Safety Code.

(F) The chief administrator of an agency referred to in paragraph (1) or (3).

(3) "Residential shelter services" means any of the following:

(A) The provision of residential and other support services to

minors on a temporary or emergency basis in a facility that services only minors by a governmental agency, a person or agency having a contract with a governmental agency to provide these services, an agency that receives funding from community funds, or a licensed community care facility or crisis resolution center.

(B) The provision of other support services on a temporary or emergency basis by any professional person as defined in paragraph (2).

(b) A minor who is 12 years of age or older may consent to mental health treatment or counseling on an outpatient basis, or to residential shelter services, if both of the following requirements are satisfied:

(1) The minor, in the opinion of the attending professional person, is mature enough to participate intelligently in the outpatient services or residential shelter services.

(2) The minor (A) would present a danger of serious physical or mental harm to self or to others without the mental health treatment or counseling or residential shelter services, or (B) is the alleged victim of incest or child abuse.

(c) A professional person offering residential shelter services, whether as an individual or as a representative of an entity specified in paragraph (3) of subdivision (a), shall make his or her best efforts to notify the parent or guardian of the provision of services.

(d) The mental health treatment or counseling of a minor authorized by this section shall include involvement of the minor's parent or guardian unless, in the opinion of the professional person who is treating or counseling the minor, the involvement would be inappropriate. The professional person who is treating or counseling the minor shall state in the client record whether and when the person attempted to contact the minor's parent or guardian, and whether the attempt to contact was successful or unsuccessful, or the reason why, in the professional person's opinion, it would be inappropriate to contact the minor's parent or guardian.

(e) The minor's parents or guardian are not liable for payment for mental health treatment or counseling services provided pursuant to this section unless the parent or guardian participates in the mental health treatment or counseling, and then only for services rendered with the participation of the parent or guardian. The minor's parents or guardian are not liable for payment for any residential shelter services provided pursuant to this section unless the parent or guardian consented to the provision of those services.

(f) This section does not authorize a minor to receive convulsive therapy or psychosurgery as defined in subdivisions (f) and (g) of Section 5325 of the Welfare and Institutions Code, or psychotropic drugs without the consent of the minor's parent or guardian.

SEC. 156. Section 7120 of the Family Code is amended to read:

7120. (a) A minor may petition the superior court of the county in which the minor resides or is temporarily domiciled for a declaration of emancipation.

(b) The petition shall set forth with specificity all of the following facts:

(1) The minor is at least 14 years of age.

(2) The minor willingly lives separate and apart from the minor's parents or guardian with the consent or acquiescence of the minor's parents or guardian.

(3) The minor is managing his or her own financial affairs. As evidence of this, the minor shall complete and attach a declaration of income and expenses as provided in Section 1285.50 of the California Rules of Court.

(4) The source of the minor's income is not derived from any activity declared to be a crime by the laws of this state or the laws of the United States.

SEC. 157. Section 7121 of the Family Code is amended to read:

7121. (a) Before the petition for a declaration of emancipation is heard, notice the court determines is reasonable shall be given to the minor's parents, guardian, or other person entitled to the custody of the minor, or proof shall be made to the court that their addresses are unknown or that for other reasons the notice cannot be given.

(b) The clerk of the court shall also notify the district attorney of the county where the matter is to be heard of the proceeding. If the minor is a ward or dependent child of the court, notice shall be given to the probation department.

(c) The notice shall include a form whereby the minor's parents, guardian, or other person entitled to the custody of the minor may give their written consent to the petitioner's emancipation. The notice shall include a warning that a court may void or rescind the declaration of emancipation and the parents may become liable for support and medical insurance coverage pursuant to Chapter 2 (commencing with Section 4000) of Part 2 of Division 9 of this code and Sections 11350, 11350.1, 11475.1, and 11490 of the Welfare and Institutions Code.

SEC. 158. Section 7132 of the Family Code is amended to read:

7132. (a) A petition to rescind a declaration of emancipation on the ground that the minor is indigent and has no means of support may be filed by the minor declared emancipated, by the minor's conservator, or by the district attorney of the county in which the minor resides. The petition shall be filed in the county in which the minor or the conservator resides.

(b) The minor may be considered indigent if the minor's only source of income is from public assistance benefits. The court shall consider the impact of the rescission of the declaration of emancipation on the minor and shall find the rescission of the declaration of emancipation will not be contrary to the best interest of the minor before granting the order to rescind.

SEC. 159. Section 7133 of the Family Code is amended to read:

7133. (a) Before a petition under this article is heard, notice the court determines is reasonable shall be given to the minor's parents or guardian, or proof shall be made to the court that their addresses

are unknown or that for other reasons the notice cannot be given.

(b) The notice to parents shall state that if the declaration of emancipation is voided or rescinded, the parents may be liable to provide support and medical insurance coverage for the child pursuant to Chapter 2 (commencing with Section 4000) of Part 2 of Division 9 of this code and Sections 11350, 11350.1, 11475.1, and 11490 of the Welfare and Institutions Code.

(c) No liability accrues to a parent or guardian not given actual notice, as a result of voiding or rescinding the declaration of emancipation, until that parent or guardian is given actual notice.

SEC. 160. The heading of Part 1 (commencing with Section 7500) of Division 12 of the Family Code is amended to read:

PART 1. RIGHTS OF PARENTS

SEC. 161. Section 7500 of the Family Code is amended and renumbered to read:

7540. Except as provided in Section 7541, the child of a wife cohabiting with her husband, who is not impotent or sterile, is conclusively presumed to be a child of the marriage.

SEC. 162. Section 7500 is added to the Family Code, to read:

7500. (a) The mother of an unemancipated minor child, and the father, if presumed to be the father under Section 7611, are equally entitled to the services and earnings of the child.

(b) If one parent is dead, is unable or refuses to take custody, or has abandoned the child, the other parent is entitled to the services and earnings of the child.

SEC. 163. Section 7501 of the Family Code is amended and renumbered to read:

7541. (a) Notwithstanding Section 7540, if the court finds that the conclusions of all the experts, as disclosed by the evidence based on blood tests performed pursuant to Chapter 2 (commencing with Section 7550), are that the husband is not the father of the child, the question of paternity of the husband shall be resolved accordingly.

(b) The notice of motion for blood tests under this section may be filed not later than two years from the child's date of birth by the husband, or for the purposes of establishing paternity by the presumed father or the child through or by the child's guardian ad litem. As used in this subdivision, "presumed father" has the meaning given in Sections 7611 and 7612.

(c) The notice of motion for blood tests under this section may be filed by the mother of the child not later than two years from the child's date of birth if the child's biological father has filed an affidavit with the court acknowledging paternity of the child.

(d) The notice of motion for blood tests pursuant to this section shall be supported by a declaration under oath submitted by the moving party stating the factual basis for placing the issue of paternity before the court.

(e) Subdivision (a) does not apply in any of the following cases:

(1) A case which reached final judgment of paternity on or before September 30, 1980.

(2) A case coming within Section 7613.

(3) A case in which the wife, with the consent of the husband, conceived by means of a surgical procedure.

SEC. 164. Section 7501 is added to the Family Code, to read:

7501. A parent entitled to the custody of a child has a right to change the residence of the child, subject to the power of the court to restrain a removal that would prejudice the rights or welfare of the child.

SEC. 165. Section 7502 is added to the Family Code, to read:

7502. The parent, as such, has no control over the property of the child.

SEC. 166. Section 7503 is added to the Family Code, to read:

7503. The employer of a minor shall pay the earnings of the minor to the minor until the parent or guardian entitled to the earnings gives the employer notice that the parent or guardian claims the earnings.

SEC. 167. Section 7504 is added to the Family Code, to read:

7504. The parent, whether solvent or insolvent, may relinquish to the child the right of controlling the child and receiving the child's earnings. Abandonment by the parent is presumptive evidence of that relinquishment.

SEC. 168. Section 7505 is added to the Family Code, to read:

7505. The authority of a parent ceases on any of the following:

(a) The appointment, by a court, of a guardian of the person of the child.

(b) The marriage of the child.

(c) The child attaining the age of majority.

SEC. 169. Section 7506 is added to the Family Code, to read:

7506. Where a child, after attaining the age of majority, continues to serve and to be supported by the parent, neither party is entitled to compensation, in the absence of an agreement for the compensation.

SEC. 170. Section 7507 is added to the Family Code, to read:

7507. The abuse of parental authority is the subject of judicial cognizance in a civil action brought by the child, or by the child's relative within the third degree, or by the supervisors of the county where the child resides; and when the abuse is established, the child may be freed from the dominion of the parent, and the duty of support and education enforced.

SEC. 171. A part heading is added immediately preceding Section 7540 of the Family Code, to read:

PART 2. PRESUMPTION CONCERNING CHILD OF MARRIAGE AND BLOOD TESTS TO DETERMINE PATERNITY

SEC. 172. A chapter heading is added immediately preceding

Section 7540 of the Family Code, to read:

CHAPTER 1. CHILD OF WIFE COHABITING WITH HUSBAND

SEC. 173. The heading of Part 2 (commencing with Section 7550) of Division 12 of the Family Code is amended to read:

CHAPTER 2. BLOOD TESTS TO DETERMINE PATERNITY

SEC. 174. Section 7550 of the Family Code is amended to read:

7550. This chapter may be cited as the Uniform Act on Blood Tests to Determine Paternity.

SEC. 175. Section 7555 of the Family Code is amended to read:

7555. (a) There is a rebuttable presumption, affecting the burden of proof, of paternity, if the court finds that the paternity index, as calculated by the experts qualified as examiners of genetic markers, is 100 or greater. This presumption may be rebutted by a preponderance of the evidence.

(b) As used in this section:

(1) "Genetic markers" mean separate genes or complexes of genes identified as a result of blood tests.

(2) "Paternity index" means the commonly accepted indicator used for denoting the existence of paternity. It expresses the relative strength of the test results for and against paternity. The paternity index, computed using results of various paternity tests following accepted statistical principles, shall be in accordance with the method of expression accepted at the International Conference on Parentage Testing at Airlie House, Virginia, May 1982, sponsored by the American Association of Blood Banks.

SEC. 175.5. Section 7604 of the Family Code is amended to read:

7604. A court may order pendente lite relief consisting of a custody or visitation order pursuant to Part 2 (commencing with Section 3020) of Division 8, if the court finds both of the following:

(a) Based on the tests authorized by Section 7541, a parent and child relationship exists pursuant to Section 7540.

(b) The custody or visitation order would be in the best interest of the child.

SEC. 176. Section 7611 of the Family Code is amended to read:

7611. A man is presumed to be the natural father of a child if he meets the conditions provided in Chapter 1 (commencing with Section 7540) of Part 2 or in any of the following subdivisions:

(a) He and the child's natural mother are or have been married to each other and the child is born during the marriage, or within 300 days after the marriage is terminated by death, annulment, declaration of invalidity, or divorce, or after a judgment of separation is entered by a court.

(b) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is

or could be declared invalid, and either of the following is true:

(1) If the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 300 days after its termination by death, annulment, declaration of invalidity, or divorce.

(2) If the attempted marriage is invalid without a court order, the child is born within 300 days after the termination of cohabitation.

(c) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared invalid, and either of the following is true:

(1) With his consent, he is named as the child's father on the child's birth certificate.

(2) He is obligated to support the child under a written voluntary promise or by court order.

(d) He receives the child into his home and openly holds out the child as his natural child.

(e) If the child was born and resides in a nation with which the United States engages in an Orderly Departure Program or successor program, he acknowledges that he is the child's father in a declaration under penalty of perjury, as specified in Section 2015.5 of the Code of Civil Procedure. This subdivision shall remain in effect only until January 1, 1997, and on that date shall become inoperative.

SEC. 177. Section 7611.5 is added to the Family Code, to read:

7611.5. Where Section 7611 does not apply, a man shall not be presumed to be the natural father of a child if either of the following is true:

(a) The child was conceived as a result of an act in violation of Section 261 of the Penal Code and the father was convicted of that violation.

(b) The child was conceived as a result of an act in violation of Section 261.5 of the Penal Code, the father was convicted of that violation, and the mother was under the age of 15 years and the father was 21 years of age or older at the time of conception.

SEC. 178. Section 7612 of the Family Code is amended to read:

7612. (a) Except as provided in Chapter 1 (commencing with Section 7540) of Part 2 or in Section 20102, a presumption under Section 7611 *is a rebuttable presumption affecting* the burden of proof and may be rebutted in an appropriate action only by clear and convincing evidence.

(b) If two or more presumptions arise under Section 7611 which conflict with each other, the presumption which on the facts is founded on the weightier considerations of policy and logic controls.

(c) The presumption under Section 7611 is rebutted by a judgment establishing paternity of the child by another man.

SEC. 178.5. Section 7631 of the Family Code is amended to read:

7631. Except as to cases coming within Chapter 1 (commencing with Section 7540) of Part 2, a man not a presumed father may bring

an action for the purpose of declaring that he is the natural father of a child having a presumed father under Section 7611, if the mother relinquishes for, consents to, or proposes to relinquish for or consent to, the adoption of the child. An action under this section shall be brought within 30 days after (1) the man is served as prescribed in Section 7666 with a notice that he is or could be the father of the child or (2) the birth of the child, whichever is later. The commencement of the action suspends a pending proceeding in connection with the adoption of the child until a judgment in the action is final.

SEC. 179. Section 7637 of the Family Code is amended to read:

7637. The judgment or order may contain any other provision directed against the appropriate party to the proceeding, concerning the duty of support, the custody and guardianship of the child, visitation privileges with the child, the furnishing of bond or other security for the payment of the judgment, or any other matter in the best interest of the child. The judgment or order may direct the father to pay the reasonable expenses of the mother's pregnancy and confinement.

SEC. 179.5. Chapter 6 (commencing with Section 7700) of Part 3 of Division 12 of the Family Code is repealed.

SEC. 179.6. Chapter 6 (commencing with Section 7700) is added to Part 3 of Division 12 of the Family Code, to read:

CHAPTER 6. PROTECTIVE AND RESTRAINING ORDERS

Article 1. Orders in Summons

7700. In addition to the contents required by Section 412.20 of the Code of Civil Procedure, in a proceeding under this part the summons shall contain a temporary restraining order restraining all parties, without the prior written consent of the other party or an order of the court, from removing from the state any minor child for whom the proceeding seeks to establish a parent and child relationship.

Article 2. Ex Parte Orders

7710. During the pendency of a proceeding under this part, on application of a party in the manner provided by Part 4 (commencing with Section 240) of Division 2, the court may issue ex parte a protective order as defined in Section 6218 and any other order as provided in Article 1 (commencing with Section 6320) of Chapter 2 of Part 4 of Division 10.

Article 3. Orders After Notice and Hearing

7720. After notice and a hearing, the court may issue a protective order as defined in Section 6218 and any other restraining order as provided in Article 2 (commencing with Section 6340) of Chapter 2

of Part 4 of Division 10.

Article 4. Orders Included in Judgment

7730. A judgment entered in a proceeding under this part may include a protective order as defined in Section 6218 and any other restraining order as provided in Article 3 (commencing with Section 6360) of Chapter 2 of Part 4 of Division 10.

SEC. 179.9. Section 7807 of the Family Code is amended to read:

7807. Sections 3020, 3022, 3040 to 3043, inclusive, and 3409 do not apply in a proceeding under this part.

SEC. 180. Section 7850 of the Family Code is amended to read:

7850. Upon the filing of a petition under Section 7841, the clerk of the court shall, in accordance with the direction of the court, immediately notify the juvenile probation officer, qualified court investigator, or the county department designated by the board of supervisors to administer the public social services program, who shall immediately investigate the circumstances of the child and the circumstances which are alleged to bring the child within any of the provisions of Chapter 2 (commencing with Section 7820).

SEC. 181. Section 7851 of the Family Code is amended to read:

7851. (a) The juvenile probation officer, qualified court investigator, or the county department shall render to the court a written report of the investigation with a recommendation to the court of the proper disposition to be made in the proceeding in the best interest of the child.

(b) The report shall include all of the following:

(1) A statement that the person making the report explained to the child the nature of the proceeding to end parental custody and control.

(2) A statement of the child's feelings and thoughts concerning the pending proceeding.

(3) A statement of the child's attitude towards the child's parent or parents and particularly whether or not the child would prefer living with his or her parent or parents.

(4) A statement that the child was informed of the child's right to attend the hearing on the petition and the child's feelings concerning attending the hearing.

(c) If the age, or the physical, emotional, or other condition of the child precludes the child's meaningful response to the explanations, inquiries, and information required by subdivision (b), a description of the condition shall satisfy the requirement of that subdivision.

(d) The court shall receive the report in evidence and shall read and consider its contents in rendering the court's judgment.

SEC. 182. Section 7852 is added to the Family Code, to read:

7852. "Qualified court investigator," as used in this article, has the meaning provided by Section 8543.

SEC. 182.5. Section 7891 of the Family Code is amended to read:

7891. (a) Except as otherwise provided in this section, if the

child who is the subject of the petition is 10 years of age or older, the child shall be heard by the court in chambers on at least the following matters:

(1) The feelings and thoughts of the child concerning the custody proceeding about to take place.

(2) The feelings and thoughts of the child about the child's parent or parents.

(3) The child's preference as to custody, according to Section 3042.

(b) The court shall inform the child of the child's right to attend the hearing. However, counsel for the child may waive the hearing in chambers by the court.

(c) This section does not apply if the child is confined because of illness or other incapacity to an institution or residence and is therefore unable to attend.

SEC. 183. Section 8502 is added to the Family Code, to read:

8502. "Adoption service provider" means either of the following:

(a) A licensed private adoption agency.

(b) A licensed clinical social worker with a minimum of five years experience doing adoptions with a licensed California adoption agency or the department.

SEC. 184. Section 8539 is added to the Family Code, to read:

8539. "Place for adoption" means, in the case of an independent adoption, the selection of a prospective adoptive parent or parents for a child by the birth parent or parents and the completion of an adoptive placement agreement on a form prescribed by the department by the birth parents placing the child with prospective adoptive parents.

SEC. 185. Section 8543 is added to the Family Code, to read:

8543. "Qualified court investigator" means a superior court investigator with the same minimum qualifications as a probation officer or county welfare worker designated to conduct stepparent adoption investigations in stepparent adoption proceedings and proceedings to declare a minor free from parental custody and control.

SEC. 186. Section 8620 is added to the Family Code, to read:

8620. The Legislature finds and declares that the purpose of adoption is to promote the interests of children who can benefit from a family that can give them the nurturing, protection, and opportunities essential for their healthy personal growth and development.

SEC. 187. Section 8621 is added to the Family Code, to read:

8621. The department shall adopt regulations regarding the provision of adoption services by the department and licensed adoption agencies and shall monitor the provision of those services by licensed adoption agencies.

SEC. 188. Section 8622 is added to the Family Code, to read:

8622. A licensed private adoption agency whose services are limited to a particular target population shall inform all birth parents

and prospective adoptive parents of its service limitations before commencing any services, signing any documents or agreements, or accepting any fees.

SEC. 189. Section 8700 of the Family Code is amended to read:

8700. (a) Either birth parent may relinquish a child to the department or a licensed adoption agency for adoption by a written statement signed before two subscribing witnesses and acknowledged before an authorized official of the department or agency. The relinquishment, when reciting that the person making it is entitled to the sole custody of the child and acknowledged before the officer, is prima facie evidence of the right of the person making it to the sole custody of the child and the person's sole right to relinquish.

(b) A birth parent who is a minor has the right to relinquish the birth parent's child for adoption to the department or a licensed adoption agency, and the relinquishment is not subject to revocation by reason of the minority.

(c) If a birth parent resides outside this state and the child is being cared for and is placed for adoption by the department or a licensed adoption agency, the birth parent may relinquish the child to the department or agency by a written statement signed by the birth parent before a notary on a form prescribed by the department, and previously signed by an authorized official of the department or agency, which signifies the willingness of the department or agency to accept the relinquishment.

(d) The relinquishment authorized by this section has no effect until a certified copy is filed with the department. Upon filing with the department, the relinquishment is final and may be rescinded only by the mutual consent of the department or licensed adoption agency to which the child was relinquished and the birth parent or parents relinquishing the child.

(e) The birth parent may name in the relinquishment the person or persons with whom the birth parent intends that placement of the child for adoption be made by the department or licensed adoption agency.

(f) Notwithstanding subdivision (d), if the relinquishment names the person or persons with whom placement by the department or licensed adoption agency is intended and the child is not placed in the home of the named person or persons or the child is removed from the home prior to the granting of the adoption, the department or agency shall mail a notice by certified mail, return receipt requested, to the birth parent signing the relinquishment within 72 hours of the decision not to place the child for adoption or the decision to remove the child from the home.

(g) The birth parent has 30 days from the date on which the notice described in subdivision (f) was mailed to rescind the relinquishment.

(1) If the birth parent requests rescission during the 30-day period, the department or licensed adoption agency shall rescind the

relinquishment.

(2) If the birth parent does not request rescission during the 30-day period, the department or licensed adoption agency shall select adoptive parents for the child.

(3) If the birth parent and the department or licensed adoption agency wish to identify a different person or persons during the 30-day period with whom the child is intended to be placed, the initial relinquishment shall be rescinded and a new relinquishment identifying the person or persons completed.

(h) The filing of the relinquishment with the department terminates all parental rights and responsibilities with regard to the child, except as provided in subdivisions (f) and (g).

SEC. 190. Section 8714 of the Family Code is amended to read:

8714. (a) A person desiring to adopt a child may for that purpose file a petition in the county in which the petitioner resides. Where a child has been adjudged to be a dependent of the juvenile court pursuant to Section 300 of the Welfare and Institutions Code, and has thereafter been freed for adoption by the juvenile court, the petition may be filed either in the county where the petitioner resides or in the county where the child was freed for adoption.

(b) The court clerk shall immediately notify the department at Sacramento in writing of the pendency of the proceeding and of any subsequent action taken.

(c) The caption of the adoption petition shall contain the names of the petitioners, but not the child's name. The petition shall state the child's sex and date of birth. The name the child had before adoption shall appear in the joinder signed by the licensed adoption agency.

(d) If the child is the subject of a guardianship petition, the adoption petition shall so state and shall include the caption and docket number or have attached a copy of the letters of the guardianship or temporary guardianship. The petitioners shall notify the court of any petition for guardianship or temporary guardianship filed after the adoption petition. The guardianship proceeding shall be consolidated with the adoption proceeding.

(e) The order of adoption shall contain the child's adopted name, but not the name the child had before adoption.

SEC. 191. Section 8801 of the Family Code is amended to read:

8801. (a) The selection of a prospective adoptive parent or parents shall be personally made by the child's birth parent or parents and may not be delegated to an agent. The act of selection by the birth parent or parents shall be based upon his, her, or their personal knowledge of the prospective adoptive parent or parents.

(b) "Personal knowledge" as used in this section includes, but is not limited to, substantially correct knowledge of all of the following regarding the prospective adoptive parents: their full legal names, ages, religion, race or ethnicity, length of current marriage and number of previous marriages, employment, whether other children or adults reside in their home, whether there are other children who

do not reside in their home and the child support obligation for these children and any failure to meet these obligations, any health conditions curtailing their normal daily activities or reducing their normal life expectancies, any convictions for crimes other than minor traffic violations, any removals of children from their care due to child abuse or neglect, and their general area of residence or, upon request, their address.

SEC. 192. Section 8801.3 is added to the Family Code, to read:

8801.3. A child shall not be considered to have been placed for adoption unless each of the following is true:

(a) Each birth parent placing the child for adoption has been advised of his or her rights, and if desired, has been counseled pursuant to Section 8801.5.

(b) The adoption services provider, each prospective adoptive parent, and each birth parent placing the child have signed an adoption placement agreement on a form prescribed by the department. The signing of the agreement shall satisfy all of the following requirements:

(1) The birth parents shall have been advised of their rights at least 10 days before signing the agreement.

(2) The agreement may not be signed by either the birth parents or the prospective adoptive parents until the time of discharge of the birth mother from the hospital. However, if the birth mother remains hospitalized for a period longer than the hospitalization of the child, the birth mother's competency to sign must be verified by her attending physician and surgeon before the birth mother signs the agreement.

(3) The birth parents and prospective adoptive parents shall sign the agreement in the presence of an adoption services provider.

(4) The adoption services provider who witnesses the signatures shall keep the original of the adoption placement agreement and immediately forward it to the department or delegated county adoption agency.

(5) The child may not be released to the prospective adoptive parents until the adoption placement agreement has been signed and witnessed.

(6) If the birth parent is neither a resident of, nor physically present in, this state, the adoption placement agreement shall be signed in the manner in which consents are taken in the state where the birth parent resides or is present for a purpose unrelated to an adoption.

(c) The adoption placement agreement form shall include all of the following:

(1) A statement that the birth parent received the advisement of rights and the date upon which it was received.

(2) A statement that the birth parent understands that the placement is for the purpose of adoption and that if the birth parent takes no further action, on the 121st day after signing the adoption placement agreement, the agreement shall become a permanent

and irrevocable consent to the adoption.

(3) A statement that the birth parent signs the agreement having personal knowledge of certain facts regarding the prospective adoptive parents as provided in Section 8801.

(4) A statement that the adoptive parents have been informed of the basic health and social history of the birth parents.

(5) A consent to the adoption that may be revoked as provided by Section 8814.5.

(d) The adoption placement agreement shall also meet the requirements of the Interstate Compact on the Placement of Children in Section 7901.

SEC. 193. Section 8801.5 is added to the Family Code, to read:

8801.5. (a) Each birth parent placing a child for adoption shall be advised of his or her rights by an adoption services provider, or in the case of a birth parent who is neither a resident of, nor physically present in, this state, by a representative of an agency licensed or authorized to accept consents to adoption in the state in which the birth parent resides or is physically present for a purpose unrelated to an adoption.

(b) The birth parent shall be advised of his or her rights in a face-to-face meeting in which the birth parent may ask questions and have questions answered, as soon as possible and in no case later than 10 days before the signing of the adoption placement agreement as provided by Section 8801.3.

(c) The department shall prescribe the format and process for advising birth parents of their rights, the content of which shall include, but not be limited to, the following:

(1) The alternatives to adoption.

(2) The alternative types of adoption, including a description of the full procedures and timeframes involved in each type.

(3) The full rights and responsibilities of the birth parent with respect to adoption, including the need to keep the department informed of his or her current address in case of a medical emergency requiring contact and of providing a full health history.

(4) The right to separate legal counsel paid for by the prospective adoptive parents upon the request of the birth parent, as provided for by Section 8800.

(5) The right to a minimum of three separate counseling sessions, each to be held on different days, to be paid for by the prospective adoptive parents upon the request of the birth parents, as provided for by subdivision (d).

(d) Each person advised pursuant to this section shall be offered at least three separate counseling sessions, to be held on different days. Each counseling session shall be not less than 50 minutes in duration. The counseling may be provided by an adoption services provider or by a licensed psychotherapist, as defined by Section 1010 of the Evidence Code, as elected by the person.

(e) The individual counseling owes a duty of care to the birth parent being counseled, similar to the duty of care established by a

psychotherapist-patient relationship, regardless of who pays the fees of the counselor. No counselor shall have a contractual relationship with the adoptive parents, an attorney for the adoptive parents, or any other individual or an organization performing any type of services for the adoptive parents and for which the adoptive parents are paying a fee, except as relates to payment of the birth parents' fee.

(f) The adoption service provider's and counseling costs shall be paid by the prospective adoptive parents at the request of the birth parent.

SEC. 194. Section 8801.7 is added to the Family Code, to read:

8801.7. (a) The adoption service provider giving the advisement of rights shall also witness the signature of the adoption placement agreement and interview the birth parent within 10 working days after the placement of the child with prospective adoptive parents. The interview shall include a consideration of any concerns or problems the birth parent has with the placement, a readvisement of the rights of the birth parent, and the taking of the health and social history of the birth parent, if not taken previously.

(b) The adoption service provider shall immediately contact the department or delegated county adoption agency if there are any concerns regarding the placement and if the birth parent wishes to revoke the consent, shall assist the birth parent in obtaining the return of the child.

(c) The adoption service provider owes a very high duty of care to the birth parent being advised, regardless of who pays the provider's fees. No adoption services provider shall have a contractual relationship with prospective adoptive parents, an attorney or representative for prospective adoptive parents, or any individual or organization providing services of any type to prospective adoptive parents for which the adoptive parents are paying a fee, except as relates to the payment of the fees of the birth parents.

SEC. 195. Section 8802 of the Family Code is amended to read:

8802. (a) A grandparent, aunt, uncle, sibling, legal guardian who has been the child's legal guardian for more than three years, person named in the will of a deceased parent as an intended adoptive parent where the child has no other parent, or person with whom a child has been placed for adoption, who desires to adopt a child may, for that purpose, file a petition in the county in which the petitioner resides. If the child has been placed for adoption, a copy of the adoptive placement agreement shall be attached to the petition. The court clerk shall immediately notify the department at Sacramento in writing of the pendency of the proceeding and of any subsequent action taken.

(b) The petition shall contain an allegation that the petitioners will file promptly with the department or delegated county adoption agency information required by the department in the investigation of the proposed adoption. The omission of the allegation from a

petition does not affect the jurisdiction of the court to proceed or the validity of an adoption order or other order based on the petition.

(c) The caption of the adoption petition shall contain the names of the petitioners, but not the child's name. The petition shall state the child's sex and date of birth and the name the child had before adoption.

(d) If the child is the subject of a guardianship petition, the adoption petition shall so state and shall include the caption and docket number or have attached a copy of the letters of the guardianship or temporary guardianship. The petitioners shall notify the court of any petition for guardianship or temporary guardianship filed after the adoption petition. The guardianship proceeding shall be consolidated with the adoption proceeding.

(e) The order of adoption shall contain the child's adopted name, but not the name the child had before adoption.

SEC. 196. Section 8804 of the Family Code is amended to read:

8804. If the petitioners move to withdraw the adoption petition or to dismiss the proceeding, the court clerk shall immediately notify the department at Sacramento of the action. The department or delegated county adoption agency shall file a full report with the court recommending a suitable plan for the child in every case where the petitioners move to withdraw the adoption petition or where the department or agency recommends that the adoption petition be denied and shall appear before the court for the purpose of representing the child.

SEC. 197. Section 8808 of the Family Code is amended to read:

8808. The investigating adoption agency shall interview the petitioners and all persons whose consent is required and whose addresses are known as soon as possible and, in the case of residents of this state, within 45 working days, excluding legal holidays, after the filing of the adoption petition. The interview with the placing parent or parents shall include consideration of any concerns or problems that the parent has with the placement and shall give the parent an opportunity to sign either a statement revoking the consent, or a waiver of the right to revoke consent, as provided in Section 8814.5. In order to facilitate these interviews, at the same time the petition is filed with the court, the petitioners shall file with the investigating adoption agency a copy of the petition together with the names, addresses, and telephone numbers of all parties to be interviewed, if known.

SEC. 198. Section 8814 of the Family Code is amended to read:

8814. (a) The consent of the birth parent or parents shall be signed as provided in Section 8801.3. The consent shall be filed with the clerk of the appropriate superior court.

(b) The consent described in subdivision (a), when reciting that the person giving it is entitled to the sole custody of the child and when acknowledged before that agent, is prima facie evidence of the right of the person making it to the sole custody of the child and that person's sole right to consent.

(c) If the birth parent of a child to be adopted resides outside this state or is outside this state for an extended period of time unrelated to the adoption at the time of signing the consent, the consent may be signed before a representative of an agency licensed or authorized to take the consent of a birth parent in the state in which the birth parent resides or is present for the extended period of time.

(d) A birth parent who is a minor has the right to sign a consent for the adoption of the birth parent's child and the consent is not subject to revocation by reason of minority.

SEC. 199. Section 8814.5 is added to the Family Code, to read:

8814.5. (a) After a consent to the adoption is signed by the birth parent or parents pursuant to Sections 8801.3 and 8814, the birth parent or parents signing the consent have 120 days to take one of the following actions:

(1) Sign and deliver to the investigating adoption agency a written statement revoking the consent and requesting the child to be returned to the birth parent or parents.

(2) Sign a waiver of the right to revoke consent on a form prescribed by the department in the presence of a representative of the department or delegated county adoption agency or, if the parent neither resides in this state nor is physically present in this state, in the presence of a representative of an agency licensed or authorized to take consents in the state in which the birth parent resides or is present for a purpose unrelated to an adoption. The waiver of the right to revoke consent may not be signed until an interview has been completed by the State Department of Social Services.

(3) Allow the consent to become a permanent consent on the 121st day after signing.

(b) The consent may not be revoked after a waiver of the right to revoke consent has been signed or after 120 days beginning on the date the consent was signed, whichever occurs first.

SEC. 200. Section 8815 of the Family Code is repealed.

SEC. 201. Section 8815 is added to the Family Code, to read:

8815. (a) Once the revocable consent to adoption has become permanent as provided in Section 8814.5, the consent to the adoption by the prospective adoptive parents may not be withdrawn.

(b) Before the time when the revocable consent becomes permanent as provided in Section 8814.5, the birth parent or parents may request return of the child. In such a case the child shall immediately be returned to the birth parent or parents so requesting.

(c) If the person or persons with whom the child has been placed have concerns that the birth parent or parents requesting return of the child are unfit or present a danger of harm to the child, that person's or those persons' only option is to report their concerns to the investigating adoption agency and the appropriate child welfare agency. These concerns shall not be a basis for failure to immediately return the child.

SEC. 202. Section 8904 of the Family Code is amended to read:

8904. For an intercountry adoption that will be finalized in a foreign country, the licensed adoption agency shall provide all of the following services:

(a) Assessment of the suitability of the applicant's home.

(b) Certification to the Immigration and Naturalization Service that this state's intercountry adoption requirements have been met.

(c) Readoption services as required by the Immigration and Naturalization Service.

SEC. 203. Section 8919 is added to the Family Code, to read:

8919. (a) Each state resident who adopts a child through an intercountry adoption that is finalized in a foreign country shall readopt the child in this state if it is required by the Immigration and Naturalization Service. The readoption shall include, but is not limited to, at least one postplacement in-home visit, the filing of the adoption petition pursuant to Section 8912, the intercountry adoption court report, accounting reports, and the final adoption order. No readoption order shall be granted unless the court receives a report from an adoption agency authorized to provide intercountry adoption services pursuant to Section 8900.

(b) Each state resident who adopts a child through an intercountry adoption that is finalized in a foreign country may readopt the child in this state. The readoption shall meet the standards described in subdivision (a).

SEC. 204. Section 9001 of the Family Code is amended to read:

9001. (a) The probation officer, qualified court investigator, or, at the option of the board of supervisors, the county welfare department in the county in which the adoption proceeding is pending shall make an investigation of each case of stepparent adoption. The court may not make an order of adoption until after the probation officer, qualified court investigator, or welfare department has filed its report and recommendation and they have been considered by the court.

(b) Unless ordered by the court, no home study may be required of the petitioner's home in a stepparent adoption. The agency conducting the investigation or any interested person may request the court to order a home study or the court may order a home study on its own motion.

(c) "Home study" as used in this section means a physical investigation of the premises where the child is residing.

SEC. 205. Section 9002 of the Family Code is amended to read:

9002. In a stepparent adoption, the stepparent is liable for all reasonable costs incurred in connection with the stepparent adoption, including, but not limited to, costs incurred for the investigation required by Section 9001, up to a maximum of two hundred dollars ($200). The probation officer, qualified court investigator, or county welfare department may defer, waive, or reduce the fee if its payment would cause economic hardship to the prospective adoptive parent detrimental to the welfare of the

adopted child.

SEC. 206. Section 9003 of the Family Code is amended to read:

9003. (a) In a stepparent adoption, the consent of either or both birth parents shall be signed in the presence of a county clerk, probation officer, qualified court investigator, or county welfare department staff member of any county of this state. The county clerk, probation officer, qualified court investigator, or county welfare department staff member before whom the consent is signed shall immediately file the consent with the clerk of the court where the adoption petition is filed. The clerk shall immediately notify the probation officer or, at the option of the board of supervisors, the county welfare department of that county.

(b) If the birth parent of a child to be adopted is outside this state at the time of signing the consent, the consent may be signed before a notary or other person authorized to perform notarial acts.

(c) The consent, when reciting that the person giving it is entitled to sole custody of the child and when acknowledged before the county clerk, probation officer, qualified court investigator, or county welfare department staff member, is prima facie evidence of the right of the person signing the consent to the sole custody of the child and that person's sole right to consent.

(d) A birth parent who is a minor has the right to sign a consent for the adoption of the birth parent's child and the consent is not subject to revocation by reason of the minority.

SEC. 207. Section 9005 of the Family Code is amended to read:

9005. (a) Consent of the birth parent to the adoption of the child by the stepparent may not be withdrawn except with court approval. Request for that approval may be made by motion, or a birth parent seeking to withdraw consent may file with the clerk of the court where the adoption petition is pending, a petition for approval of withdrawal of consent, without the necessity of paying a fee for filing the petition. The petition or motion shall be in writing, and shall set forth the reasons for withdrawal of consent, but otherwise may be in any form.

(b) The court clerk shall set the matter for hearing and shall give notice thereof to the probation officer, qualified court investigator, or county welfare department, to the prospective adoptive parent, and to the birth parent or parents by certified mail, return receipt requested, to the address of each as shown in the proceeding, at least 10 days before the time set for hearing.

(c) The probation officer, qualified court investigator, or county welfare department shall, before the hearing of the motion or petition for withdrawal, file a full report with the court and shall appear at the hearing to represent the interests of the child.

(d) At the hearing, the parties may appear in person or with counsel. The hearing shall be held in chambers, but the court reporter shall report the proceedings and, on court order, the fee therefor shall be paid from the county treasury. If the court finds that withdrawal of the consent to adoption is reasonable in view of all the

circumstances and that withdrawal of the consent is in the child's best interest, the court shall approve the withdrawal of the consent. Otherwise the court shall withhold its approval. Consideration of the child's best interest shall include, but is not limited to, an assessment of the child's age, the extent of bonding with the prospective adoptive parent, the extent of bonding or the potential to bond with the birth parent, and the ability of the birth parent to provide adequate and proper care and guidance to the child. If the court approves the withdrawal of consent, the adoption proceeding shall be dismissed.

(e) A court order granting or withholding approval of a withdrawal of consent to an adoption may be appealed in the same manner as an order of the juvenile court declaring a person to be a ward of the juvenile court.

SEC. 208. Section 9006 of the Family Code is amended to read:

9006. (a) If the petitioner moves to withdraw the adoption petition or to dismiss the proceeding, the court clerk shall immediately notify the probation officer, qualified court investigator, or county welfare department of the action.

(b) If a birth parent has refused to give the required consent, the adoption petition shall be dismissed.

SEC. 209. Part 1 (commencing with Section 20000) of Division 20 of the Family Code is repealed.

SEC. 210. Part 1 (commencing with Section 20000) is added to Division 20 of the Family Code, to read:

PART 1. FAMILY LAW PILOT PROJECTS

CHAPTER 1. GENERAL PROVISIONS

20000. (a) The Legislature finds and declares the following:

(1) Child and spousal support are serious legal obligations. In addition, children are frequently left in limbo while their parents engage in protracted litigation concerning custody and visitation. The current system for obtaining child and spousal support orders is suffering because the family courts are unduly burdened with heavy case loads and personnel insufficient to meet the needs of increased demands on the courts.

(2) There is a compelling state interest in the development of a child and spousal support system that is cost-effective and accessible to families with middle or low incomes.

(3) There is a compelling state interest in first implementing such a system on a small scale.

(4) There is a compelling state interest in the development of a speedy, conflict-reducing method of resolving custody and visitation disputes.

(b) Therefore, it is the intent of the Legislature in enacting this part to provide a means for experimenting with and evaluating procedural innovations with significant potential to improve the

California child and spousal support systems, and the system for mediation, evaluation, and litigation of custody and visitation disputes.

20001. The Superior Courts of the Counties of Santa Clara and San Mateo may conduct pilot projects pursuant to this part. Chapter 2 (commencing with Section 20010) shall govern the San Mateo County Pilot Project, and Chapter 3 (commencing with Section 20030) shall govern the Santa Clara County Pilot Project.

20002. The duration of the pilot projects shall be two years.

CHAPTER 2. SAN MATEO COUNTY PILOT PROJECT

20010. The San Mateo County Pilot Project shall apply to hearings on motions for temporary child support, temporary spousal support, and temporary health insurance issuable in proceedings under this code, where at least one party is unrepresented by counsel.

20011. Motions for temporary orders under this chapter shall be heard as soon as practicable, consistent with the rules governing other civil actions.

20012. The court shall appoint a Family Law Evaluator, who shall be available to assist parties. By local rule the superior court may designate the duties of the Family Law Evaluator, which may include, but are not limited to, the following:

(a) Requiring litigants in actions which involve temporary child support, temporary spousal support, and temporary maintenance of health insurance in which at least one litigant is unrepresented, to meet with the Family Law Evaluator prior to the support hearing.

(b) Preparing support schedules based on standardized formulae accessed through existing up-to-date computer technology.

(c) Drafting stipulations to include all issues agreed to by the parties.

(d) Prior to, or at, any hearing pursuant to this chapter, reviewing the paperwork by the court, advising the judge whether or not the matter is ready to proceed, and making a recommendation to the court regarding child support, spousal support, and health insurance.

(e) Assisting the clerk in maintaining records.

(f) Preparing a formal order consistent with the court's announced oral order, unless one of the parties is represented by an attorney.

(g) Assisting the court with research and any other responsibilities which will enable the court to be responsive to the litigants' needs.

20013. The court shall provide the Family Law Evaluator at no cost to the parties.

20014. The clerk shall stamp all moving papers in which a party is not represented by counsel with a notice of a requirement to see the Family Law Evaluator. The unrepresented party shall serve the stamped pleadings on the other party.

20015. The court shall adopt a protocol wherein all litigants, both unrepresented by counsel and represented by counsel, have ultimate access to a hearing before the court.

20016. The court may elect to publish a low-cost booklet describing this program.

20017. The Family Law Evaluator shall be an attorney, licensed to practice in this state.

20018. Orders for temporary support issued pursuant to this chapter shall comply with the statewide uniform guideline set forth in Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 and shall be based on the economic evidence supplied by the parties or otherwise available to the court.

20019. Where it appears from a party's application for an order under this chapter or otherwise in the proceedings that the custody of, or visitation with, a minor child is contested, the court shall set those issues for mediation pursuant to Section 3170. The pendency of the mediation proceedings shall not delay a hearing on any other matter for which a temporary order is required, including child support, and a separate hearing, if required, shall be scheduled respecting the custody and visitation issues following mediation in accordance with Section 3170. However, the court may grant a continuance for good cause shown.

20020. In a contested proceeding for temporary child or spousal support under this chapter, both the moving party and the responding party shall provide all of the following documents to the Family Law Evaluator, and to the court at the time of the hearing:

(a) Copies of the last two federal and state income tax returns filed.

(b) Paycheck stubs for all paychecks received in the four months immediately prior to the hearing.

20021. A party who fails to submit documents to the court as required by Section 20020 may, in the court's discretion, not be granted the relief requested, or the court may impose evidentiary sanctions.

20022. The tax return submitted pursuant to Section 20020 may be reviewed by the other party. A party may be examined by the other party as to the contents of the tax return.

20023. (a) Except as provided in subdivision (c):

(1) Nothing in this chapter shall be construed to apply to a child for whom services are provided or required to be provided by a district attorney pursuant to Section 11475.5 of the Welfare and Institutions Code.

(2) The court shall not hear or enter any order under this chapter in a matter involving such a child.

(b) Any order entered contrary to the provisions of subdivision (a) is void and without legal effect.

(c) For purposes of enabling a custodial parent receiving assistance under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code to participate in

a pilot project authorized by this chapter, the district attorney, upon the request of the custodial parent, may execute a limited waiver of the obligation or representation under Section 11475.1 of the Welfare and Institutions Code. These limited waivers shall be signed by both the district attorney and custodial parent and shall only permit the custodial parent to participate in the proceedings under this chapter. It is not the intent of the Legislature in enacting this section to limit the duties of district attorneys with respect to seeking child support payments or to in any way limit or supersede other provisions of this code respecting temporary child support.

20024. (a) The costs of the Family Law Evaluator, any staff necessary to assist the Family Law Evaluator, and the cost of the booklet describing the program, if any, shall be borne by an increase and an equalization of filing fees in San Mateo County to one hundred fifty dollars ($150) for all petitions for marital dissolution, annulment, and legal separation, and all first papers on behalf of respondents in proceedings for marital dissolution, annulment, and legal separation. Alternatively, the costs associated with this pilot program may be paid from other funding sources.

(b) A donation of computers, printers, software, and other equipment shall be solicited from existing hardware and software providers.

20025. (a) The presiding judge of the San Mateo County Superior Court, in conjunction with judges of the family law court and with attorneys practicing therein selected by the presiding judge, shall conduct a study of the effectiveness of the San Mateo Pilot Project in making the California child support system more equitable, responsive, cost-effective, and accessible, particularly to those with middle and low incomes, and shall make a report of findings to the Legislature on or before July 1, 1994.

(b) The satisfaction of participating parties shall be determined by requiring litigants entering the pilot project to fill out a simple exit poll. The response of at least 70 percent of those questionnaires shall be analyzed by the Senate Office of Research to decide whether the program has been deemed satisfactory by the participants.

20026. (a) It is estimated that under the pilot project authorized by this chapter, approximately 2,200 litigants will be served annually and that the following savings will occur:

(1) The program would save 520 hours, or 65 days, of court time per year.

(2) There would be a concomitant saving of time by litigants due to the expedited proceedings and, in addition, there would be a saving to litigants of wages that would otherwise be lost due to time off from work.

(b) The estimated costs of the pilot project are as follows:

(1) The salaries of the Family Law Evaluator and any staff necessary for the evaluator to carry out his or her functions.

(2) The cost of a booklet, if any, describing the program.

(c) There would be no cost for the following:

(1) Computers, printers, or other equipment. This equipment is already available in the family law department.

(2) Training for the Family Law Evaluator or his or her staff. They will be trained by already existing judicial personnel.

CHAPTER 3. SANTA CLARA COUNTY PILOT PROJECT

20030. The Superior Court of the County of Santa Clara may conduct a pilot project pursuant to this chapter.

20031. The pilot project applies to all hearings, for temporary or permanent child or spousal support, modifications thereof, health insurance, custody, or visitation in a proceeding for dissolution of marriage, nullity of marriage, legal separation of the parties, exclusive custody, or pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12).

20032. (a) Each and every hearing in a proceeding described in Section 20031 in which child or spousal support is at issue, including related contempt matters, shall be set by the clerk of the court for hearing within 30 days of filing.

(b) At any hearing in which child or spousal support is at issue, each party, both moving and responding, shall bring to the hearing, copies of the last two federal and state income tax returns filed by the party and pay stubs from the last four full months immediately preceding the hearing received by the party, and shall serve those documents on the opposing party at least five days in advance of the hearing date. Willful failure to comply with these requirements or any of the requirements of this pilot project may result in a citation for contempt under Title 5 (commencing with Section 1209) of Part 3 of the Code of Civil Procedure, or in the court's discretion, the court may refuse to grant relief requested or may impose evidentiary sanctions on a party who fails to submit these documents. The clerk shall cause to be placed on the face sheet of any moving papers for child or spousal support at the time of filing, a notice informing the parties of the requirements of this section. The notice shall also inform the parties that prior to the hearing, they must meet with the Attorney-Mediator pursuant to Section 20034. That meeting may occur in advance of the hearing dates by agreement of the parties, or on the day of the hearing.

(c) No continuance of any hearing involving child or spousal support shall be granted by a court without an order setting an interim support level unless the parties stipulate otherwise or the court finds good cause therefor.

20033. The court may pass a local rule that suspends the use of the Income and Expense Declaration mandated by California Rule of Court 1285.50 in some or all proceedings during the pendency of the pilot project, provided that substitute forms are developed and adopted to solicit substantially the same information in a simplified format. The court may, notwithstanding the adoption of a local form, require the use of the Income and Expense Declaration mandated

by California Rule of Court 1285.50 in appropriate cases on the motion of either party or on the court's own motion.

20034. (a) An attorney, known as an Attorney-Mediator, shall be hired to assist the court in resolving child and spousal support disputes , to develop community outreach programs, and to undertake other duties as assigned by the court.

(b) The Attorney-Mediator shall be an attorney, licensed to practice in this state, with mediation or litigation experience, or both, in the field of family law.

(c) By local rule, the superior court may designate the duties of the Attorney-Mediator, which may include, but are not limited to, the following:

(1) Meeting with litigants to mediate issues of child support, spousal support, and maintenance of health insurance. Actions in which one or both of the parties are unrepresented by counsel shall have priority.

(2) Preparing support schedules based on statutory guidelines accessed through existing up-to-date computer technology.

(3) Drafting stipulations to include all issues agreed to by the parties, which may include issues other than those specified in Section 20031.

(4) If the parties are unable to resolve issues with the assistance of the Attorney-Mediator, prior to or at the hearing, and at the request of the court, the Attorney-Mediator shall review the paperwork, examine documents, prepare support schedules, and advise the judge whether or not the matter is ready to proceed.

(5) Assisting the clerk in maintaining records.

(6) Preparing formal orders consistent with the court's announced order in cases where both parties are unrepresented.

(7) Serving as a special master to hearing proceedings and making findings to the court unless he or she has served as a mediator in that case.

(8) Assisting the court with research and any other responsibilities which will enable the court to be responsive to the litigants' needs.

(9) Developing programs for bar and community outreach through day and evening programs, videotapes, and other innovative means that will assist unrepresented and financially disadvantaged litigants in gaining meaningful access to Family Court. These programs shall specifically include information concerning underutilized legislation, such as expedited temporary support orders (Chapter 5 (commencing with Section 3620) of Part 1 of Division 9), modification of support orders (Article 3 (commencing with Section 3680) of Chapter 6 of Part 1 of Division 9) and preexisting, court-sponsored programs, such as supervised visitation and appointment of attorneys for children.

(d) The court shall develop a protocol wherein all litigants, both unrepresented by counsel and represented by counsel, have ultimate access to a hearing before the court.

20035. Orders for temporary support issued pursuant to this

chapter shall comply with the statewide uniform guideline set forth in Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 and shall be based on the economic evidence supplied by the parties or otherwise available to the court.

20036. Upon motion by either party or on the court's own motion, any proceeding that would otherwise fall within this pilot project may by judicial order be exempted from its requirements.

20037. (a) Except as provided in subdivision (c):

(1) Nothing in this chapter shall be construed to apply to a child for whom services are provided or required to be provided by a district attorney pursuant to Section 11475.1 of the Welfare and Institutions Code.

(2) The court shall not hear or enter any order under this chapter in a matter involving such a child.

(b) Any order entered contrary to subdivision (a) is void and without legal effect.

(c) For purposes of enabling a custodial parent receiving assistance under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code to participate in a pilot project authorized by this chapter, the district attorney, upon the request of the custodial parent, may execute a limited waiver of the obligation of representation under Section 11475.1 of the Welfare and Institutions Code. These limited waivers shall be signed by both the district attorney and custodial parent and shall only permit the custodial parent to participate in the proceedings under this chapter. It is not the intent of the Legislature in enacting this section to limit the duties of district attorneys with respect to seeking child support payments or to in any way limit or supersede other provisions of this code respecting temporary child support.

20038. (a) In any case where either party has filed a motion regarding a custody or visitation dispute and has not yet scheduled an appointment for the mediation orientation class by the time of the hearing on the order to show cause, the court shall order all parties to go to Family Court Services that day to schedule an appointment. The mediation orientation shall be scheduled within 14 days. Mediation orientation shall be conducted by Family Court Services and shall include general information on the effect of separation and dissolution on children and parents, the developmental and emotional needs of children in those circumstances, time-sharing considerations and various options concerning legal and physical custody of children, the effect of exposure to domestic violence and extreme conflict on children and parents, the nature of the mediation process and other Family Court Services procedures, and related community resources.

(b) After the mediation orientation, the parties may elect to utilize private mental health professionals, in which case the parties or the court may modify the fast track time guidelines provided for in this section.

(c) If, after orientation, either party requests mediation, and both

parties complete Family Court Services mediation petitions, an appointment shall be scheduled within four weeks after both petitions are submitted and both parties shall attend the mediation as scheduled.

(d) At the mediation, if the parties agree to all of the issues regarding custody or visitation, the mediator shall memorialize the agreement in writing, and shall mail copies of the document to the attorneys and parents. Unless written objections to the agreement are sent to Family Court Services within 20 days of mailing the agreement, it will be submitted to the court and become a court order. A copy of the order shall be sent with proof of service to the parties and attorneys by the Family Court.

(e) If mediation is completed and there are remaining disputes, the mediator shall write a memorandum of any partial agreement and shall outline the remaining disputes which shall be sent to the attorneys and parties acting in propria persona. The mediator shall refer the parties to the Early Resolution Project. The parties shall meet and confer within 14 days of the referral to determine if a solution can be formulated. If there are remaining issues to be settled after the meeting, an early resolution judicial conference shall be scheduled within 30 days of the request of either party.

(f) At the early resolution conference, the judge may take stipulations resolving the issues of custody or visitation. The judge may also request the staff of Family Court Services to provide assessments and expedited evaluations to be held on the same day as the conference, in which case the judge, upon stipulation of the parties, may also order a hearing as soon as the same day on the issues. The judge may also order counseling, a mental health special master, psychological testing, or an extended evaluation by Family Court Services or a private evaluator on some or all issues.

(g) When the court at the early resolution judicial conference orders an extended evaluation, the parties shall complete all paperwork, submit deposits to Family Court Services, or both, within five days of the early resolution judicial conference. An evaluator shall be assigned to the case within 10 days thereafter.

(h) Evaluation shall be completed within 60 days of assignment to the evaluator, and the evaluator shall submit a report and recommendations which include a proposed order resolving all disputed issues. This report shall be served by certified mail on the attorneys of record, or on the parties if they are appearing in propria persona. If there are objections to the proposed order, the parties shall file written objections, meet with the evaluator within 30 days of service of the report, and serve a copy of the order on Family Court Services within the 30-day period. If a stipulation is reached, it shall be filed with the court. If a dispute remains, a judicial settlement conference shall be scheduled within 14 days of the meeting with the evaluator. Parties, counsel, and the evaluator shall be present at this judicial settlement conference. If there is no resolution at this settlement conference, a trial shall be set within 30

days from the settlement conference by the settlement conference judge. If no objections are filed, Family Court Services shall file the proposed order with the court, and it shall become the court's order.

(i) For good cause shown, all deadlines in this section may be altered by the court.

20039. (a) The costs of the pilot project shall be borne by an equalization of filing fees in Santa Clara County for all petitions for marital dissolution, annulment, and legal separation, and all first papers on behalf of respondents in proceedings for marital dissolution, annulment, and legal separation and by equalization of filing fees for motions and responsive pleadings.

(b) A donation of computers, printers, software, and other equipment shall be solicited from existing hardware and software providers.

(c) The court shall administer funds for the various components of the pilot program.

20040. The court may elect to publish a low-cost booklet describing the program.

20041. The court shall centralize, augment, and coordinate all presently existing programs under the court's supervision that relate to children, including, but not limited to, mental health special masters, appointment of attorneys for children, supervised visitation, and other supporting personnel.

20042. (a) The presiding judge of the Santa Clara County Superior Court, in conjunction with judges of the family law court and with attorneys practicing therein selected by the presiding judge, shall conduct a study of the effectiveness of the Santa Clara County Pilot Project in making the California child and spousal support system more equitable, responsive, cost-effective, and accessible, particularly to those with middle and low incomes, and the effectiveness of the pilot project in expediting resolution and reducing conflict in custody and visitation disputes, and shall make a report of its findings to the Legislature on or before July 1, 1994.

(b) The satisfaction of participating parties shall be determined by requiring litigants entering the pilot project to fill out a simple exit poll. The response of at least 70 percent of those questionnaires shall be analyzed by the Senate Office of Research to determine whether the program has been deemed satisfactory by the participants.

20043. (a) It is estimated for Santa Clara County's participation in the pilot project authorized by this chapter, that 4,000 litigants will be served annually, and that the following savings will occur:

(1) With an estimated 20 percent reduction in the use of court time over the current system, the county would save approximately 178 hours per year of court time, or approximately 22 workdays per year.

(2) With an estimated cost savings in incomes of judges, court reporters, clerks, bailiffs, and sheriffs, the project is expected to save approximately twenty thousand dollars ($20,000) per year. Cases involving child support obligations which the district attorney's

office was required to handle in one participating county, for the 1989–90 fiscal year, number 2,461. The average time spent on a typical child support order is approximately five hours. There is a potential of 12,500 man-hours per year that could be saved, resulting in a savings of three hundred sixty-seven thousand eight hundred seventy-five dollars ($367,875) per year in attorney salaries alone. This does not take into consideration costs for documents, filing, and other district attorney personnel.

(3) The average savings personally to litigants who otherwise would require private representation would be from fifty dollars ($50) to two hundred fifty dollars ($250) per hour of court time and other preparation work.

(b) The satisfaction of participating parties will be determined by requiring the litigants using the pilot project to fill out a simple exit poll. The response of at least 70 percent of those questionnaires will be analyzed to decide whether the program has been deemed satisfactory by the participants.

(c) The estimated cost of the program is as follows:

(1) The estimated salary for an Attorney-Mediator is sixty thousand dollars ($60,000) to sixty-five thousand dollars ($65,000) per year, plus an additional 25 percent of salary to cover the costs of benefits for that position. In addition, there may be other costs connected with this position for support staff at the court.

(2) The costs of exit polling and any informational materials to be handed out to the public by the Attorney-Mediator is undetermined and cannot be estimated.

(d) The estimated income to cover the costs of this program will be as follows:

(1) There are approximately 10,000 dissolution of marriage petitions filed in Santa Clara County each year. Of those cases, approximately one-third of them have responses filed. At the present time, it costs one hundred sixty-five dollars ($165) to have a petition for dissolution of marriage filed and one hundred twenty-seven dollars ($127) to have a response filed, for a cost differential of thirty-eight dollars ($38). By equalizing the response fee with the petition fee, income generated would be approximately one hundred twenty-five thousand four hundred dollars ($125,400) per year. This does not include the cost of fourteen dollars ($14) for each responsive declaration filed to a motion or order to show cause, the annual number of which is significantly greater than 3,300. It is estimated that an additional fifty thousand dollars ($50,000) per year could be generated by equalizing the responsive fees to a motion or order to show cause with the filing of those motions. These fees generated would more than offset the costs of the program.

(2) It is also anticipated that the Attorney-Mediator will develop public information and outreach programs which will be paid for by any excess revenue generated from the pilot project and ultimately will result in savings to the public and the court. The public will save by not having to pay attorneys for certain information regarding

child support matters, and the court will save by not having to educate the public from the bench, thus expediting the handling of support and custody cases.

(e) The cost of computers, printers, and other equipment will be defrayed by contributions.

SEC. 211. Part 2 (commencing with Section 20100) is added to Division 20 of the Family Code, to read:

PART 2. PATERNITY PILOT PROJECTS

20100. (a) The State Department of Social Services shall establish pilot projects in one hospital which agrees to participate, in each of three counties to evaluate the cost-effectiveness of establishing paternity at the hospital, the number of parents who sign paternity declarations, the circumstances under which parents volunteer to establish paternity, and the obstacles to establishing paternity through voluntary declaration.

(b) Although the number of pilot projects is limited to one hospital in each of three counties, any county, and any hospital, clinic, or other place of birth within those counties that is not part of the pilot projects, that wishes to implement voluntary paternity establishment by declaration as provided for in this part, may do so by using the forms and procedures set forth in this part, and by informing the State Department of Social Services of their intention to implement voluntary paternity establishment by declaration no later than March 1, 1993.

20101. The State Department of Social Services shall do all of the following:

(a) Establish the pilot projects in accordance with Section 20100.

(b) Consult with representatives of the Senate and Assembly Judiciary Committees, the State Registrar of Vital Statistics, child support advocacy groups, hospital associations, and district attorneys in developing the form to be used to establish paternity in the pilot projects.

(c) With the assistance of the State Registrar of Vital Statistics, furnish and distribute the forms to local registrars of vital statistics in participating counties.

(d) Consult with representatives of the Senate and Assembly Judiciary Committees, the State Registrar of Vital Statistics, child support advocacy groups, hospital associations, and district attorneys in evaluating the pilot projects.

20102. (a) As used in this section, "father" has the meaning provided by Section 7540.

(b) Because of the compelling interest in providing all children in this state with equal rights and access to benefits, including, but not limited to, social security, health insurance, survivors' benefits, military benefits, and inheritance rights, without regard to the marital status of their parents, except as provided in subdivision (d), the child of a woman and a man executing a declaration of paternity

under this section, which meets the requirements of subdivision (c), is conclusively presumed to be their child. The presumption under this section has the same force and effect as the presumption under Section 7540.

(c) In order for a conclusive presumption of paternity to be established pursuant to this section, the following must appear on the declaration:

(1) The full name, place, and date of birth of the child.

(2) The full name and current address of the attesting father of the child.

(3) The full name and current address of the attesting mother of the child.

(4) A notice captioned "READ THIS BEFORE SIGNING," preceding the declaration and conspicuously placed, stating all of the following:

(A) Executing this declaration is strictly voluntary. If you have any questions that were not answered in the written information provided to you with this form, consult an attorney.

(B) This declaration is a legal document that creates rights and duties under California law and assures that your child is entitled to receive the same rights and benefits as he or she would receive if you were married to the other parent of your child.

(C) The man signing this declaration unequivocally understands that by signing this document he agrees that he is the father of the child and that he is willingly and knowingly waiving his right to a trial on the question of paternity unless he takes action within two years from the date of signing this document to challenge the paternity established by the declaration as provided by subdivision (d).

(D) The paternity established by the declaration may be rebutted in court by a blood test, as provided by subdivision (d), within two years from the date of signature by the attesting father, or the attesting mother, whichever signature is later.

(E) If the attesting father does not contest paternity within two years after the date he executes the declaration, or from the date the attesting mother executes the declaration, whichever date is later, he will be deemed to be the father of the child regardless of any evidence to the contrary, including blood or genetic tests, offered at any proceeding that takes place more than two years from the date of signing this declaration.

(F) Upon establishing yourself as the father of the child, you are fully and legally responsible for the support of the child, which may include paying child support.

(G) Upon establishing yourself as the father of the child, you, by signing this declaration, are entitled to all rights with regard to the child that a father would have who is or has been married to the mother of the child.

(5) The signature of the father attesting under penalty of perjury under the laws of the State of California that the information provided is true and correct, that he has read and fully understands

the rights he is waiving and the duties imposed on him as described in paragraph (4), that he is executing this declaration to establish that he is the father of the child and understands that by acknowledging paternity of the child he accepts an obligation to provide child support under the laws of the State of California.

(6) Execution of this declaration authorizes the state to add the signatory's name as the natural father of the child to the child's birth certificate.

(7) The signature of the natural mother attesting under penalty of perjury under the laws of the State of California that the information provided is true and correct, that the man named is the natural father of the child, that she is executing this declaration to name the natural father of her child, and that she has read and fully understands that by executing this declaration she is establishing the named natural father as the conclusively presumed father with all the rights and responsibilities of a conclusively presumed father under Section 7540.

(8) The full name and signature of the party registering the declaration and the date of registration.

(d) The presumption established by this section may be rebutted, by any person as provided by subdivision (a) of Section 7541, within two years from the date of execution of the declaration by the attesting father, or by the attesting mother, whichever signature is later. The two-year statute of limitation used in subdivision (b) of Section 7541 is inapplicable for purposes of this section.

(e) A presumption under this section does not override a presumption under Section 7540. A presumption under this section overrides all presumptions except a presumption arising under Section 7540, including presumptions under Section 7611.

20103. (a) Before the mother leaves the hospital, clinic, or other place of birth, the person responsible for registering live births under Sections 10101 and 10102 of the Health and Safety Code shall provide to the natural mother and attempt to provide, at the place of birth, to the man identified by the natural mother as the natural father, a declaration for completion that meets the requirements of Section 20102. The person responsible for registering the birth shall file the declaration, if completed, with the birth certificate, and a copy of the declaration shall be made available to each of the attesting parents.

(b) If the declaration is not registered by the person responsible for registering live births at the hospital, clinic, or place of birth, it may be completed by the attesting parents by means of notarized signatures and mailed to, or registered personally by either or both parents with, the local registrar of the State Office of Vital Statistics at any time after the child's birth.

(c) The declaration, whether filed by the person responsible for registering live births, or by the parents at a later date, shall be attached as an addendum to the public, nonconfidential portion of the birth certificate.

20104. The State Department of Social Services shall report to the

Legislature on or before December 31, 1995, on the success of the pilot projects. The evaluation of the effectiveness of the pilot projects shall be based on the following criteria:

(a) A significant increase in the ease of establishing paternity within participating counties.

(b) A significant increase in paternity establishment within participating counties.

(c) An increase in the numbers of children within participating counties, who have greater access to child support and other benefits of paternity due to voluntary establishment of paternity by declaration.

(d) For those families establishing paternity by means of a voluntary declaration, a significant decrease in the time required to establish paternity due to the removal of the need for a lengthy court process to determine and establish paternity.

(e) A notable decrease in costs to the courts and district attorneys due to the establishment of paternity by voluntary declaration.

SEC. 212. Section 6159 of the Government Code is amended to read:

6159. (a) As used in this section:

(1) "Credit card" means any card, plate, coupon book, or other credit device existing for the purpose of being used from time to time upon presentation to obtain money, property, labor, or services on credit.

(2) "Card issuer" means any person who issues a credit card and purchases credit card drafts or the agent of such person for such purposes with respect to such card.

(3) "Cardholder" means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

(4) "Draft purchaser" means any person who purchases credit card drafts.

(b) Subject to the provisions of subdivision (c), a court, city, county, city and county, or other public agency may authorize the acceptance of a credit card for any of the following:

(1) The payment for the deposit of bail or for any fine for any offense not declared to be a felony.

(2) The payment of a filing fee or other court fee.

(3) The payment of any towage or storage costs for a vehicle which has been removed from a highway, or from public or private property, as a result of parking violations.

(4) The payment of child, family, or spousal support, including reimbursement of public assistance, related fees, costs, or penalties, with the authorization of the cardholder.

(5) The payment for services rendered by any city, county, or city and county.

(c) A court desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of its county board of

supervisors. A city desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of its city council. Any other public agency desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of the governing body which has fiscal responsibility for the agency. After approval is obtained, a contract may be executed with one or more credit card issuers or draft purchasers. The contract shall provide for:

(1) The respective rights and duties of the court, city, county, city and county, or other public agency and card issuer or draft purchaser regarding the presentment, acceptability and payment of credit card drafts.

(2) The establishment of a reasonable means by which to facilitate payment settlements.

(3) The payment to the card issuer or draft purchaser of a reasonable fee or discount.

(4) Such other matters appropriately included in contracts with respect to the purchase of credit card drafts as may be agreed upon by the parties to the contract.

(d) The honoring of a credit card pursuant to subdivision (b) constitutes payment of the amount owing to the court, city, county, city and county, or other public agency as of the date the credit card is honored provided the credit card draft is paid following its due presentment to a card issuer or draft purchaser.

(e) If any credit card draft is not paid following due presentment to a card issuer or draft purchaser or is charged back to the court, city, county, city and county, or other public agency for any reason, any record of payment made by the court, city, or other public agency honoring the credit card shall be void. Any receipt issued in acknowledgment of payment shall also be void. The obligation of the cardholder shall continue as an outstanding obligation as though no payment had been attempted.

(f) Fees or discounts provided for under paragraph (3) of subdivision (c) shall be deducted or accounted for prior to any statutory or other distribution of funds received from the card issuer or draft purchaser.

SEC. 213. Section 21215 of the Government Code is amended to read:

21215. (a) Upon the legal separation or dissolution of marriage of a member, the court shall include in the judgment or a court order the date on which the parties separated.

(b) If the community property is divided in accordance with subdivision (c) of Section 2610 of the Family Code, the court shall order that the accumulated contributions and service credit attributable to periods of service during the marriage be divided into two separate and distinct accounts in the name of the member and the nonmember, respectively. Any service credit or accumulated contributions which are not explicitly awarded by the judgment or court order shall be deemed the exclusive property of the member.

(c) The court shall address the rights of the nonmember to the following:

(1) The right to a retirement allowance, and the consequent right to elect an optional settlement and designate a beneficiary.

(2) The right to a refund of accumulated contributions.

(3) The right to redeposit accumulated contributions which are eligible for redeposit by the member under Sections 20654 and 20654.3.

(4) The right to purchase service credit which is eligible for purchase by the member under Article 4 (commencing with Section 20890) and Article 5 (commencing with Section 20930) of Chapter 7.

(5) The right to designate a beneficiary to receive his or her accumulated contributions payable where death occurs prior to retirement.

(6) The right to designate a beneficiary for any unpaid allowance payable at the time of the nonmember's death.

(7) The right to elect coverage in the second tier for that member service which is subject to the second tier, provided that the election is made within one year of the establishment of the nonmember account or prior to the nonmember's retirement, whichever occurs first. Immediately upon establishment of a nonmember account, the board shall provide, by certified mail, the necessary form and information so that the election may be made.

(d) In the capacity of nonmember, he or she shall not be entitled to any disability or industrial disability retirement allowance, any basic death benefit, any special death benefit, any monthly allowance for survivors of a member or retired person, any insurance benefit, or retired member lump sum death benefit. No survivor continuance allowance shall be payable to a survivor of a nonmember.

SEC. 213.5. Section 26833.5 of the Government Code is amended to read:

26833.5. No fee shall be charged to an indigent plaintiff for certified copies of any order issued pursuant to any of the following:

(a) Article 2 (commencing with Section 2045), Article 3 (commencing with Section 2047), or Article 4 (commencing with Section 2049) of Chapter 4 of Part 1 of Division 6 of the Family Code.

(b) Division 10 (commencing with Section 6200) of the Family Code.

(c) Article 2 (commencing with Section 7710), Article 3 (commencing with Section 7720), or Article 4 (commencing with Section 7730) of Chapter 6 of Part 3 of Division 12 of the Family Code.

SEC. 214. Section 26840.3 of the Government Code is amended to read:

26840.3. (a) The superior court in any county may, for the support of the family conciliation court or for conciliation and mediation services provided pursuant to Chapter 11 (commencing with Section 3160) of Part 2 of Division 8 of the Family Code, upon

action of the board of supervisors to provide all space costs and indirect overhead costs from other sources, increase:

(1) The fee for issuing a marriage license, by an amount not to exceed five dollars ($5).

(2) The fee for issuing a marriage certificate pursuant to Part 4 (commencing with Section 500) of Division 3 of the Family Code, by an amount not to exceed five dollars ($5).

(b) The funds shall be paid to the county treasury and an amount equal thereto shall be used exclusively to pay the costs of maintaining the family conciliation court or conciliation and mediation services provided pursuant to Chapter 11 (commencing with Section 3160) of Part 2 of Division 8 of the Family Code.

SEC. 214.5. Section 26841 of the Government Code is amended to read:

26841. The superior court in any county may increase the fee for the filing of any paper in response to an order or an application for a protective order, as defined in Section 6218 of the Family Code, by five dollars ($5), upon the adoption of a resolution to that effect by the board of supervisors. The five dollars ($5) shall be disposed of pursuant to the provisions of Chapter 5 (commencing with Section 18290) of Part 6 of Division 9 of the Welfare and Institutions Code.

SEC. 214.7. Section 68085 of the Government Code is amended to read:

68085. (a) There is hereby established the Trial Court Trust Fund, the proceeds of which may only be expended, upon appropriation by the Legislature, for the purpose of funding trial court operations, including, but not limited to, superior and municipal court judges' salaries, benefits, and public agency retirement contributions, and the salary, benefits, and public agency retirement contributions for justice court judges, subordinate judicial officers, other court staff, including all municipal court staff positions specifically prescribed by statute, those deputy marshals, constables, and sheriffs as the court deems necessary for court operations, alternative adjudication techniques for handling minor motor-vehicle-related civil claims, judicial arbitration, court-appointed counsel in juvenile court dependency proceedings, counsel appointed by the court to represent a minor pursuant to Chapter 10 (commencing with Section 3150) of Part 2 of Division 8 of the Family Code, services and supplies relating to court operations, collective bargaining under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with respect to court employees specified in Section 3501.6, and actual indirect costs, not to exceed 18 percent of the block grant, for county general services attributable to court operations.

(b) Notwithstanding any other provision of law, the fees listed in subdivision (c) shall all be deposited upon collection in a special account in the county treasury, and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(c) Except as specified in subdivision (d), this section applies to

all fees collected pursuant to Sections 26820.4, 26826, 26827, 68086, 68090, 72055, 72056, and 72056.5.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 which is allocated for dispute resolution pursuant to Section 470.3 of the Business and Professions Code, the county law library pursuant to Section 6320 of the Business and Professions Code, the small claims advisor pursuant to Section 116.910 of the Code of Civil Procedure, the Judges' Retirement Fund pursuant to Section 26822.3, automated recordkeeping or conversion to micrographics pursuant to Sections 26863 and 68090.7, and courthouse financing pursuant to Section 76238.

(e) Notwithstanding any other provision of law, unless approval is first obtained from the Controller, no agency shall take action to change the amounts allocated to any of the above funds.

SEC. 215. Section 75050 of the Government Code is amended to read:

75050. (a) Upon the legal separation or dissolution of marriage of a member, the court shall include in the judgment or a court order the date on which the parties separated.

(b) If the court orders the division of the community property interest in the system pursuant to subdivision (c) of Section 2610 of the Family Code, the accumulated contributions and service credit attributable to periods of service during the marriage shall be divided into two separate and distinct accounts in the name of the member and nonmember, respectively. Any service credit or accumulated contributions which are not explicitly awarded by the judgment or court order shall be deemed the exclusive property of the member.

(c) Upon receipt of the court order separating the account of the member and the nonmember pursuant to this section, the board shall determine the rights of the nonmember, taking into consideration the court order and the account of the member. These rights may include the following:

(1) The right to a retirement allowance.

(2) The right to a refund of accumulated retirement contributions.

(3) The right to redeposit accumulated contributions which are eligible for redeposit by the member under Section 75028.5.

(4) The right to purchase service credit which is eligible for purchase by the member under Sections 75029 to 75030.5.

(5) The right to designate a beneficiary to receive his or her accumulated contributions payable where death occurs prior to retirement.

(6) The right to designate a beneficiary for any unpaid allowance payable at the time of the nonmember's death.

(d) In the capacity of nonmember, the nonmember shall not be entitled to any disability retirement allowance.

SEC. 216. Section 10605 of the Health and Safety Code is

amended to read:

10605. (a) A fee of three dollars ($3) shall be paid by the applicant for a certified copy of a fetal death or death record.

(b) (1) A fee of three dollars ($3) shall be paid by a public agency or licensed private adoption agency applicant for a certified copy of a birth certificate that the agency is required to obtain in the ordinary course of business. A fee of seven dollars ($7) shall be paid by any other applicant for a certified copy of a birth certificate. Four dollars ($4) of any seven-dollar ($7) fee is exempt from subdivision (e) and shall be paid to either a county children's trust fund or to the State Children's Trust Fund, in conformity with Article 5 (commencing with Section 18965) of Chapter 11 of Part 6 of Division 9 of the Welfare and Institutions Code.

(2) (A) As a pilot project, Contra Costa, Los Angeles, Orange, Sacramento, San Diego, Santa Clara, and Tulare Counties may increase the fee for a certified copy of a birth certificate by up to three dollars ($3), through December 31, 1996, for the purpose of providing dependency mediation services in the juvenile court. Public agencies shall be exempt from paying this portion of the fee. However, if a county increases this fee, neither the revenue generated from the fee increase nor the increased expenditures made for these services shall be considered in determining the court's progress towards achieving its cost reduction goals pursuant to Section 68113 of the Government Code if the net effect of the revenue and expenditures is a cost increase. In each county participating in the pilot project up to 5 percent of the revenue generated from the fee increase may be apportioned to the county recorder for the additional accounting costs of the program.

(B) On or before December 31, 1995, each participating county shall submit an independent study of the project to the Legislature. The study shall consider the effectiveness of mediation, the cost-avoidance realized, what model of juvenile court mediation should be promoted statewide, and at what point mediation is most effective.

(C) The presiding judge of the superior court of each participating county shall designate a person who will facilitate access to case files and any other data necessary for the independent study.

(D) Variables to be evaluated and measured to indicate the success of the pilot projects shall include, but not be limited to:

(i) At least 75 percent of all participants should be satisfied or very satisfied with the dependency mediation process.

(ii) The range of creative solutions for resolution of the families' problems within the development of the court ordered plan shall increase by 10 percent.

(iii) At least 70 percent of matters coming before the court should be settled in less time using dependency mediation than if adjudicated.

(iv) Dependency mediation shall result in a 25 percent reduction

in foster care placements.

(c) A fee of three dollars ($3) shall be paid by a public agency applicant for a certified copy of a marriage record, that has been filed with the county recorder or county clerk, that the agency is required to obtain in the ordinary course of business. A fee of six dollars ($6) shall be paid by any other applicant for a certified copy of a marriage record that has been filed with the county recorder or county clerk. Three dollars ($3) of any six-dollar ($6) fee is exempt from subdivision (e) and shall be transmitted monthly by each local registrar, county recorder, and county clerk to the state for deposit into the General Fund as provided by Section 1852 of the Family Code.

(d) A fee of three dollars ($3) shall be paid by a public agency applicant for a certified copy of a marriage dissolution record obtained from the State Registrar that the agency is required to obtain in the ordinary course of business. A fee of six dollars ($6) shall be paid by any other applicant for a certified copy of a marriage dissolution record obtained from the State Registrar.

(e) Each local registrar, county recorder, or county clerk collecting a fee pursuant to this section shall transmit 15 percent of the fee for each certified copy to the State Registrar by the 10th day of the month following the month in which the fee was received.

(f) The additional three dollars ($3) authorized to be charged to applicants other than public agency applicants for certified copies of marriage records by subdivision (c) may be increased pursuant to Section 114.

SEC. 216.1. Section 11834.11 of the Health and Safety Code is amended to read:

11834.11. (a) As used in this chapter, alcoholism or drug abuse recovery or treatment facility means any facility, place, or building that provides 24-hour residential nonmedical services in a group setting to adults, which may include, but need not be limited to, mothers over 18 years of age and their children, and emancipated minors, which may include, but need not be limited to, mothers under 18 years of age and their children, who are recovering from alcohol, drug, or drug and alcohol misuse and are currently capable of meeting their life support needs independently, but who temporarily need guidance, counseling, or other alcohol or drug recovery services.

(b) "Emancipated minors" as used in this chapter means persons under 18 years of age who are emancipated under Section 7002 of the Family Code.

(c) Notwithstanding subdivision (a), an alcoholism or drug abuse recovery or treatment facility may serve adolescents upon the issuance of a waiver granted by the department pursuant to regulations adopted under subdivision (c) of Section 11834.13.

SEC. 216.4. Section 273.5 of the Penal Code is amended to read:

273.5. (a) Any person who willfully inflicts upon his or her spouse, or any person who willfully inflicts upon any person of the

opposite sex with whom he or she is cohabiting, or any person who willfully inflicts upon any person who is the mother or father of his or her child, corporal injury resulting in a traumatic condition, is guilty of a felony, and upon conviction thereof shall be punished by imprisonment in the state prison for 2, 3 or 4 years, or in a county jail for not more than one year, or by a fine of up to six thousand dollars ($6,000) or by both.

(b) Holding oneself out to be the husband or wife of the person with whom one is cohabiting is not necessary to constitute cohabitation as the term is used in this section.

(c) As used in this section, "traumatic condition" means a condition of the body, such as a wound or external or internal injury, whether of a minor or serious nature, caused by a physical force.

(d) For the purpose of this section, a person shall be considered the father or mother of another person's child if the alleged male parent is presumed the natural father under Sections 7611 and 7612 of the Family Code.

(e) In any case in which a person is convicted of violating this section and probation is granted, the court shall require participation in a batterer's treatment program as a condition of probation unless, considering all of the facts and the circumstances, the court finds participation in a batterer's treatment program inappropriate for the defendant.

(f) If probation is granted, or the execution or imposition of a sentence is suspended, for any person convicted under subdivision (a) who previously has been convicted under subdivision (a) for an offense that occurred within seven years of the offense of the second conviction, it shall be a condition thereof that he or she be imprisoned in a county jail for not less than 96 hours and that he or she participate in for no less than one year, and successfully complete, a batterer's treatment program, as designated by the court. However, the court, upon a showing of good cause, may find that the mandatory minimum imprisonment, or the participation in a batterer's treatment program, or both the mandatory minimum imprisonment and participation in a batterer's treatment program, as required by this subdivision, shall not be imposed and grant probation or the suspension of the execution or imposition of a sentence.

(g) If probation is granted, or the execution or imposition of a sentence is suspended, for any person convicted under subdivision (a) who previously has been convicted of two or more violations of subdivision (a) for offenses that occurred within seven years of the most recent conviction, it shall be a condition thereof that he or she be imprisoned in a county jail for not less than 30 days and that he or she participate in for no less than one year, and successfully complete, a batterer's treatment program as designated by the court. However, the court, upon a showing of good cause, may find that the mandatory minimum imprisonment, or the participation in a batterer's treatment program, or both the mandatory minimum

imprisonment and participation in a batterer's treatment program, as required by this subdivision, shall not be imposed and grant probation or the suspension of the execution or imposition of a sentence.

(h) If probation is granted upon conviction of a violation of subdivision (a), the conditions of probation may include, in lieu of a fine, one or both of the following requirements:

(1) That the defendant make payments to a battered women's shelter, up to a maximum of one thousand dollars ($1,000).

(2) That the defendant reimburse the victim for reasonable costs of counseling and other reasonable expenses that the court finds are the direct result of the defendant's offense.

For any order to pay a fine, make payments to a battered women's shelter, or pay restitution as a condition of probation under this subdivision, the court shall make a determination of the defendant's ability to pay. In no event shall any order to make payments to a battered women's shelter be made if it would impair the ability of the defendant to pay direct restitution to the victim or court ordered child support. Where the injury to a married person is caused in whole or in part by the criminal acts of his or her spouse in violation of this section, the community property may not be used to discharge the liability of the offending spouse for restitution to the injured spouse, required by Section 1203.04, or to a shelter for costs with regard to the injured spouse and dependents, required by this section, until all separate property of the offending spouse is exhausted.

SEC. 216.5. Section 273.6 of the Penal Code is amended to read:

273.6. (a) Any willful and knowing violation of a protective order, as defined in Section 6218 of the Family Code, or of an order issued pursuant to Section 527.6 of the Code of Civil Procedure 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 one year, or by both the fine and imprisonment.

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

(c) A second or subsequent conviction for a violation of an order described in subdivision (a) occurring within seven years of a prior conviction for a violation of the order and involving an act of violence or "a credible threat" of violence as defined in subdivision (c) of Section 139 is punishable by imprisonment in a county jail not to exceed one year, or in the state prison for 16 months or two or three years.

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

(e) If probation is granted upon conviction of a violation of subdivision (a), (b), or (c), the conditions of probation may include,

in lieu of a fine, one or both of the following requirements:

(1) That the defendant make payments to a battered women's shelter, up to a maximum of one thousand dollars ($1,000).

(2) That the defendant reimburse the victim for reasonable costs of counseling and other reasonable expenses that the court finds are the direct result of the defendant's offense.

(f) For any order to pay a fine, make payments to a battered women's shelter, or pay restitution as a condition of probation under subdivision (e), the court shall make a determination of the defendant's ability to pay. In no event shall any order to make payments to a battered women's shelter be made if it would impair the ability of the defendant to pay direct restitution to the victim or court ordered child support. Where the injury to a married person is caused in whole or in part by the criminal acts of his or her spouse in violation of this section, the community property may not be used to discharge the liability of the offending spouse for restitution to the injured spouse, required by Section 1203.04, or to a shelter for costs with regard to the injured spouse and dependents, required by this section, until all separate property of the offending spouse is exhausted.

SEC. 217. Section 360 of the Penal Code is amended to read:

360. Every person authorized to solemnize any marriage, who solemnizes a marriage without first being presented with the marriage license, as required by Section 421 of the Family Code; or who solemnizes a marriage pursuant to Part 4 (commencing with Section 500) of Division 3 of the Family Code without the authorization required by that part; or who willfully makes a false return of any marriage or pretended marriage to the recorder or clerk; or who, having solemnized a marriage, fails to return to the recorder or clerk the marriage license with the certificate endorsed thereon, as required by Section 423 of the Family Code; or who having solemnized a marriage pursuant to Part 4 (commencing with Section 500) of Division 3 of the Family Code, fails to return the certificate as required by Section 506 of the Family Code, and every person who willfully makes a false record of any marriage return, is guilty of a misdemeanor.

SEC. 218. Section 977 of the Penal Code is amended to read:

977. (a) (1) In all cases in which the accused is charged with a misdemeanor only, he or she may appear by counsel only, except as provided in paragraph (2). If the accused agrees, the arraignment and plea may be by video, as provided by subdivision (c).

(2) When the accused is charged with a misdemeanor offense involving domestic violence, as defined in Section 6211 of the Family Code, or a misdemeanor violation of Section 273.6, upon a satisfactory showing of necessity, the court may order through counsel that the accused be personally present in court for the purpose of the service of an order under Section 136.2, unless the court determines that the defendant will make another court appearance within a reasonable period of time and the defendant could be served with a restraining

order at that time.

(b) (1) In all cases in which a felony is charged, the accused shall be present at the arraignment, at the time of plea, during the preliminary hearing, during those portions of the trial when evidence is taken before the trier of fact, and at the time of the imposition of sentence. The accused shall be personally present at all other proceedings unless he or she shall, with leave of court, execute in open court, a written waiver of his or her right to be personally present, as provided by paragraph (2). If the accused agrees, the arraignment and plea may be by video, as provided by subdivision (c).

(2) The accused may execute a written waiver of his or her right to be personally present, approved by his or her counsel, and the waiver shall be filed with the court. However, the court may specifically direct the defendant to be personally present at any particular proceeding or portion thereof. The waiver shall be substantially in the following form:

"WAIVER OF DEFENDANT'S PERSONAL PRESENCE"

"The undersigned defendant, having been advised of his or her right to be present at all stages of the proceedings, including, but not limited to, presentation of and arguments on questions of fact and law, and to be confronted by and cross-examine all witnesses, hereby waives the right to be present at the hearing of any motion or other proceeding in this cause. The undersigned defendant hereby requests the court to proceed during every absence of the defendant that the court may permit pursuant to this waiver, and hereby agrees that his or her interest is represented at all times by the presence of his or her attorney the same as if the defendant were personally present in court, and further agrees that notice to his or her attorney that his or her presence in court on a particular day at a particular time is required is notice to the defendant of the requirement of his or her appearance at that time and place."

(c) The court may permit the initial arraignment in municipal or superior court of defendants held in any state, county, or local facility within the county on felony or misdemeanor charges, except for those defendants who were indicted by a grand jury, to be conducted by two-way electronic audiovideo communication between the defendant and the courtroom in lieu of the physical presence of the defendant in the courtroom. If the defendant is represented by counsel, the attorney shall be present with the defendant, and may enter a plea, during the arraignment. The defendant shall have the right to make his or her plea while physically present in the courtroom if he or she so requests. If the defendant decides not to exercise the right to be physically present in the courtroom, he or she shall execute a written waiver of that right. A judge may order a defendant's personal appearance in court for arraignment. In a

misdemeanor case, a judge may, pursuant to this subdivision, accept a plea of guilty or no contest from a defendant who is not physically in the courtroom. In a felony case, a judge may, pursuant to this subdivision, accept a plea of guilty or no contest from a defendant who is not physically in the courtroom if the parties stipulate thereto.

SEC. 219. Section 1377 of the Penal Code is amended to read:

1377. When the person injured by an act constituting a misdemeanor has a remedy by a civil action, the offense may be compromised, as provided in Section 1378, except when it is committed as follows:

(a) By or upon an officer of justice, while in the execution of the duties of his or her office.

(b) Riotously.

(c) With an intent to commit a felony.

(d) In violation of any court order as described in Section 273.6.

(e) By or upon any family or household member, or upon any person when the violation involves any person described in Section 6211 of the Family Code or subdivision (b) of Section 13700 of this code, and when the defendant has civilly compromised any domestic violence offense committed upon any victim within seven years of the commission of the currently charged offense.

When an offense by or upon any family or household member, or upon any person, when the violation involves any person described in Section 6211 of the Family Code or subdivision (b) of Section 13700 of this code, is sought to be compromised and the prosecution objects to that civil compromise pursuant to this section, the court shall hold a hearing that is noticed within 10 court days where the victim is present and acknowledges and presents proof of satisfaction for injury. During the hearing, the prosecution shall have an opportunity to present evidence and make arguments with regard to the proposed civil compromise, and the court may question the victim in open court on the issue of the satisfaction being presented as a basis for the compromise.

For purposes of this subdivision, a victim of a domestic violence offense is a person described in Section 6211 of the Family Code or subdivision (b) of Section 13700 of this code.

SEC. 220. Section 11105.3 of the Penal Code is amended to read:

11105.3. (a) Notwithstanding any other provision of law, a human resource agency or an employer may request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in subdivision (g) of a person who applies for a license, employment, or volunteer position, in which he or she would have supervisory or disciplinary power over a minor or any person under his or her care. The department shall furnish the information to the requesting employer and shall also send a copy of the information to the applicant.

(b) Any request for records under subdivision (a) shall include the applicant's fingerprints, which may be taken by the requester, and any other data specified by the department. The request shall

be on a form approved by the department, and the department may charge a fee to be paid by the employer, human resource agency, or applicant for the actual cost of processing the request. However, no fee shall be charged a nonprofit organization. The department shall destroy an application within six months after the requested information is sent to the employer and applicant.

(c) Nothing in this section supersedes any law requiring criminal record access or dissemination of criminal history information. In any conflict with another statute, dissemination of criminal history information shall be pursuant to the mandatory statute. This subdivision applies to, but is not limited to, requirements pursuant to Article 1 (commencing with Section 1500) of Chapter 3 of, and Chapter 3.2 (commencing with Section 1569) and Chapter 3.4 (commencing with Section 1596.70) of, Division 2 of, and Section 1522 of, the Health and Safety Code, and Sections 8712, 8811, and 8908 of the Family Code.

(d) The department may adopt regulations to implement the provisions of this section as necessary.

(e) As used in this section, "employer" means any nonprofit corporation or other organizations specified by the Attorney General which employs or uses the services of volunteers in positions in which the volunteer or employee has supervisory or disciplinary power over a child or children.

(f) As used in this section, "human resource agency" means a public or private entity, excluding any agency responsible for licensing of facilities pursuant to the California Community Care Facilities Act (Chapter 3 (commencing with Section 1500)), the California Residential Care Facilities for the Elderly Act (Chapter 3.2 (commencing with Section 1569)), Chapter 3.01 (commencing with Section 1568.01), and the California Child Day Care Facilities Act (Chapter 3.4 (commencing with Section 1596.70)) of Division 2 of the Health and Safety Code, responsible for determining the character and fitness of a person who is (1) applying for a license, employment, or as a volunteer within the human services field that involves the care and security of children, the elderly, the handicapped, or the mentally impaired, or (2) applying to adopt a child or to be a foster parent.

(g) Records of the following offenses shall be furnished as provided in subdivision (a):

(1) Violations or attempted violations of Section 220, 261, 261.5, 262, 266, 266j, 267, 272, 273a, 273d, 273.5, Sections 285 to 289, inclusive, Section 311.4, 311.10, 311.11, 314, 647.6, former Section 647a, or subdivision (a) or (d) of Section 647, or commitment as a mentally disordered sex offender under former Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code.

(2) Any crime described in the California Uniform Controlled Substances Act (Division 10 (commencing with Section 11000) of the Health and Safety Code), provided that, except as otherwise

provided in subdivision (c), no record of a misdemeanor conviction shall be transmitted to the requester unless the subject of the request has a total of three or more misdemeanor or felony convictions defined in this section within the immediately preceding 10-year period.

(3) Any felony or misdemeanor conviction within 10 years of the date of the employer's request under subdivision (a), for a violation or attempted violation of Chapter 3 (commencing with Section 207), Section 211, 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, Section 217.1, Chapter 8 (commencing with Section 236), Chapter 9 (commencing with Section 240), and for a violation of any of the offenses specified in subdivision (c) of Section 667.5, provided that no record of a misdemeanor conviction shall be transmitted to the requester unless the subject of the request has a total of three or more misdemeanor or felony convictions defined in this section within the immediately preceding 10-year period.

(4) A conviction for a violation or attempted violation of an offense committed outside the State of California shall be furnished if the offense would have been a crime as defined in this section if committed in California.

(h) Any criminal history information obtained pursuant to this section is confidential and no recipient shall disclose its contents other than for the purpose for which it was acquired.

SEC. 221. Section 11167 of the Penal Code is amended to read:

11167. (a) A telephone report of a known or suspected instance of child abuse shall include the name of the person making the report, the name of the child, the present location of the child, the nature and extent of the injury, and any other information, including information that led that person to suspect child abuse, requested by the child protective agency.

(b) Information relevant to the incident of child abuse may also be given to an investigator from a child protective agency who is investigating the known or suspected case of child abuse.

(c) Information relevant to the incident of child abuse may be given to the licensing agency when it is investigating a known or suspected case of child abuse, including the investigation report, and other pertinent materials.

(d) The identity of all persons who report under this article shall be confidential and disclosed only between child protective agencies, or to counsel representing a child protective agency, or to the district attorney in a criminal prosecution or in an action initiated under Section 602 of the Welfare and Institutions Code arising from alleged child abuse, or to counsel appointed pursuant to subdivision (c) of Section 317 of the Welfare and Institutions Code, or to the county counsel or district attorney in a proceeding under Part 4 (commencing with Section 7800) of Division 12 of the Family Code or Section 300 of the Welfare and Institutions Code, or to a licensing

agency when abuse in out-of-home care is reasonably suspected, or when those persons waive confidentiality, or by court order.

No agency or person listed in this subdivision shall disclose the identity of any person who reports under this article to that person's employer, except with the employee's consent or by court order.

(e) Persons who may report pursuant to subdivision (d) of Section 11166 are not required to include their names.

SEC. 221.1. Section 11170 of the Penal Code is amended to read:

11170. (a) The Department of Justice shall maintain an index of all reports of child abuse submitted pursuant to Section 11169. The index shall be continually updated by the department and shall not contain any reports that are determined to be unfounded. The department may adopt rules governing recordkeeping and reporting pursuant to this article.

(b) (1) The Department of Justice shall immediately notify a child protective agency which submits a report pursuant to Section 11169, or a district attorney who requests notification, of any information maintained pursuant to subdivision (a) which is relevant to the known or suspected instance of child abuse reported by the agency. A child protective agency shall make that information available to the reporting medical practitioner, child custodian, guardian ad litem appointed under Section 326, or counsel appointed under Section 317 or 318 of the Welfare and Institutions Code, or the appropriate licensing agency, if he or she is treating or investigating a case of known or suspected child abuse.

(2) When a report is made pursuant to subdivision (a) of Section 11166, the investigating agency, upon completion of the investigation or after there has been a final disposition in the matter, shall inform the person required to report of the results of the investigation and of any action the agency is taking with regard to the child or family.

(3) The department shall make available to the State Department of Social Services or to any county licensing agency which has contracted with the state for the performance of licensing duties any information received subsequent to January 1, 1981, pursuant to this section concerning any person who is an applicant for licensure or any adult who resides or is employed in the home of an applicant for licensure or who is an applicant for employment in a position having supervisorial or disciplinary power over a child or children, or who will provide 24-hour care for a child or children in a residential home or facility, pursuant to Section 1522.1 or 1596.877 of the Health and Safety Code, or Section 8714, 8802, 8912, or 9000 of the Family Code. If the department has information that has been received subsequent to January 1, 1981, concerning such a person, it also shall make available to the State Department of Social Services or to the county licensing agency any other information maintained pursuant to subdivision (a).

(4) Persons or agencies, as specified in subdivision (b), if investigating a case of known or suspected child abuse, or the State Department of Social Services or any county licensing agency

pursuant to paragraph (3), to whom disclosure of any information maintained pursuant to subdivision (a) is authorized, are responsible for obtaining the original investigative report from the reporting agency, and for drawing independent conclusions regarding the quality of the evidence disclosed, and its sufficiency for making decisions regarding investigation, prosecution, or licensing.

(5) Effective January 1, 1993, whenever information contained in the Department of Justice files is furnished as the result of an application for employment or licensing pursuant to paragraph (3), the Department of Justice may charge the person or entity making the request a fee. The fee shall not exceed the reasonable costs to the department of providing the information. The only increase shall be at a rate not to exceed the legislatively approved cost-of-living adjustment for the department. In no case shall the fee exceed fifteen dollars ($15).

All moneys received by the department pursuant to this paragraph shall be deposited in a special account in the General Fund which is hereby created and named the Department of Justice Sexual Habitual Offender Fund. The funds shall be available, upon appropriation by the Legislature, for expenditure by the department to offset the costs incurred pursuant to Chapter 9.5 (commencing with Section 13885) and Chapter 10 (commencing with Section 13890) of Title 6 of Part 4, and Section 290.2, and for maintenance and improvements to the statewide Sexual Habitual Offender Program and the DNA offender identification file (CAL-DNA) authorized by Chapter 9.5 (commencing with Section 13885) of Title 6 of Part 4 and Section 290.2.

SEC. 221.3. Section 12021 of the Penal Code is amended to read:

12021. (a) Any person who has been convicted of a felony under the laws of the United States, of the State of California, or any other state, government, or country, or of an offense enumerated in Section 12001.6, or who is addicted to the use of any narcotic drug, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(b) Notwithstanding subdivision (a), any person who has been convicted of a felony or of an offense enumerated in Section 12001.6, when that conviction results from certification by the juvenile court for prosecution as an adult in an adult court under Section 707 of the Welfare and Institutions Code, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(c) (1) Except as provided in subdivision (a) or paragraph (2) of this subdivision, any person who has been convicted of a misdemeanor violation of Section 136.5, 140, 171b, 171c, 171d, 241, 243, 244.5, 245, 245.5, 246.3, 247, 417, 417.2, 626.9, subdivision (b) or (d) of Section 12034, subdivision (a) of Section 12100, 12320, or 12590 and who, within 10 years of the conviction, owns, or has in his or her possession or under his or her custody or control, any firearm is guilty of a public offense, which shall be punishable by imprisonment in the

state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine. The court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this subdivision. However, the prohibition in this paragraph may be reduced, eliminated, or conditioned as provided in paragraph (2).

(2) Any person, whose continued employment or livelihood is dependent on the ability to legally possess a firearm, who is subject to the prohibition imposed by this subdivision because of a conviction prior to the effective date of the amendments which added this paragraph to this section, at any time until January 1, 1993, may petition the court for relief from this prohibition. The court may reduce or eliminate the prohibition, impose conditions on reduction or elimination of the prohibition, or otherwise grant relief from the prohibition as the court deems appropriate. In making its decision, the court may consider the petitioner's continued employment, the interest of justice, any relevant evidence, and the totality of the circumstances. It is the intent of the Legislature that courts exercise broad discretion in fashioning appropriate relief under this paragraph in cases in which relief is warranted. However, nothing in this paragraph shall be construed to require courts to grant relief to any particular petitioner. It is the intent of the Legislature in enacting this paragraph to permit persons who were convicted of an offense specified in this subdivision prior to the effective date of the amendments which added this paragraph to this section to seek relief from the prohibition imposed by this subdivision.

(d) Any person who, as an express condition of probation, is prohibited or restricted from owning, possessing, controlling, receiving, or purchasing a firearm and who owns, or has in his or her possession or under his or her custody or control, any firearm but who is not subject to subdivision (a) or (c) is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine. The court, on forms provided by the Department of Justice, shall notify the department of persons subject to this subdivision. The notice shall include a copy of the order of probation and a copy of any minute order or abstract reflecting the order and conditions of probation.

(e) Any person who (1) is alleged to have committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code, (2) is found to be a fit and proper subject to be dealt with under the juvenile court law, and (3) is subsequently adjudged a ward of the juvenile court within the meaning of Section 602 of the Welfare and Institutions Code because the person committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code shall not own, or have in his or her possession or under his or her custody or control, any firearm until the age of 30 years. A violation of this subdivision shall be punishable by

imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine. The juvenile court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this subdivision. Notwithstanding any other law, the forms required to be submitted to the department pursuant to this subdivision may be used to determine eligibility to acquire a firearm.

(f) Subdivision (a) shall not apply to a person who has been convicted of a felony under the laws of the United States unless either of the following criteria is satisfied:

(1) Conviction of a like offense under California law can only result in imposition of felony punishment.

(2) The defendant was sentenced to a federal correctional facility for more than 30 days, or received a fine of more than one thousand dollars ($1,000), or received both punishments.

(g) Every person who purchases or receives, or attempts to purchase or receive, a firearm knowing that he or she is subject to a protective order, as defined in Section 6218 of the Family Code, is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or both that imprisonment and fine. This subdivision does not apply unless the copy of the restraining order personally served on the person against whom the restraining order is issued contains a notice in bold print stating (1) that the person is prohibited from purchasing or receiving or attempting to purchase or receive a firearm and (2) specifying the penalties for violating this subdivision, or a court has provided actual verbal notice of the firearm prohibition and penalty as provided in Section 6304 of the Family Code. However, this subdivision does not apply if the firearm is received as part of the disposition of community property pursuant to Division 7 (commencing with Section 2500) of the Family Code.

SEC. 221.5. Section 12025.5 of the Penal Code is amended to read:

12025.5. (a) A violation of Section 12025 is justifiable when a person who possesses a firearm reasonably believes that he or she is in grave danger because of circumstances forming the basis of a current restraining order issued by a court against another person or persons who has or have been found to pose a threat to his or her life or safety. This section may not apply when the circumstances involve a mutual restraining order issued pursuant to Division 10 (commencing with Section 6200) of the Family Code absent a factual finding of a specific threat to the person's life or safety. It is not the intent of the Legislature to limit, restrict, or narrow the application of current statutory or judicial authority to apply this or other justifications to defendants charged with violating Section 12025 or of committing other similar offenses.

(b) Upon trial for violating Section 12025, the trier of fact shall determine whether the defendant was acting out of a reasonable

belief that he or she was in grave danger.

SEC. 221.6. Section 12028.5 of the Penal Code is amended to read:

12028.5. (a) As used in this section, the following definitions shall apply:

(1) "Abuse" means intentionally or recklessly causing or attempting to cause bodily injury, or placing another person in reasonable apprehension of imminent serious bodily injury to himself, herself, or another.

(2) "Family violence" has the same meaning as domestic violence as defined in subdivision (b) of Section 13700, and also includes any abuse perpetrated against a family or household member.

(3) "Family or household member" means a spouse, former spouse, parent, child, any person related by consanguinity or affinity within the second degree, or any person who regularly resides or who regularly resided in the household.

The presumption applies that the male parent is the father of any child of the female pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12 of the Family Code).

(4) "Deadly weapon" means any weapon, the possession or concealed carrying of which is prohibited by Section 12020.

(b) A sheriff, undersheriff, deputy sheriff, marshal, deputy marshal, or police officer of a city, as defined in subdivision (a) of Section 830.1, a member of the University of California Police Department, as defined in subdivision (c) of Section 830.2, an officer listed in Section 830.6 while acting in the course and scope of his or her employment as a peace officer, a member of a California State University Police Department, as defined in subdivision (d) of Section 830.2, and a peace officer of the Department of Parks and Recreation, as defined in subdivision (g) of Section 830.2, who is at the scene of a family violence incident involving a threat to human life or a physical assault, may take temporary custody of any firearm or other deadly weapon in plain sight or discovered pursuant to a consensual search as necessary for the protection of the peace officer or other persons present. Upon taking custody of a firearm or other deadly weapon, the officer shall give the owner or person who possessed the firearm a receipt. The receipt shall describe the firearm or other deadly weapon and list any identification or serial number on the firearm. The receipt shall indicate where the firearm or other deadly weapon can be recovered and the date after which the owner or possessor can recover the firearm or other deadly weapon. No firearm or other deadly weapon shall be held less than 48 hours. Except as provided in subdivision (e), if a firearm or other deadly weapon is not retained for use as evidence related to criminal charges brought as a result of the family violence incident or is not retained because it was illegally possessed, the firearm or other deadly weapon shall be made available to the owner or person who was in lawful possession 48 hours after the seizure or as soon thereafter as possible, but no later than 72 hours after the seizure. In any civil action or proceeding for the return of firearms or

ammunition or other deadly weapon seized by any state or local law enforcement agency and not returned within 72 hours following the initial seizure, except as provided in subdivision (c), the court shall allow reasonable attorney's fees to the prevailing party.

(c) Any firearm or other deadly weapon which has been taken into custody which has been stolen shall be restored to the lawful owner, as soon as its use for evidence has been served, upon his or her identification of the firearm or other deadly weapon and proof of ownership.

(d) Any firearm or other deadly weapon taken into custody and held by a police, university police, or sheriff's department or by a marshal's office, or by a peace officer of the Department of Parks and Recreation, as defined in subdivision (g) of Section 830.2, for longer than 12 months and not recovered by the owner or person who has lawful possession at the time it was taken into custody, shall be considered a nuisance and sold or destroyed as provided in subdivision (c) of Section 12028. Firearms or other deadly weapons not recovered within 12 months due to an extended hearing process as provided in subdivision (i), are not subject to destruction until the court issues a decision, and then only if the court does not order the return of the firearm or other deadly weapon to the owner.

(e) In those cases where a law enforcement agency has reasonable cause to believe that the return of a firearm or other deadly weapon would be likely to result in endangering the victim or the person reporting the assault or threat, the agency shall advise the owner of the firearm or other deadly weapon, and within 10 days of the seizure, initiate a petition in superior court to determine if the firearm or other deadly weapon should be returned.

(f) The law enforcement agency shall inform the owner or person who had lawful possession of the firearm or other deadly weapon, at that person's last known address by registered mail, return receipt requested, that he or she has 30 days from the date of receipt of the notice to respond to the court clerk to confirm his or her desire for a hearing, and that the failure to respond shall result in a default order forfeiting the confiscated firearm or other deadly weapon. For the purposes of this subdivision, the person's last known address shall be presumed to be the address provided to the law enforcement officer by that person at the time of the family violence incident. In the event the person whose firearm or other deadly weapon was seized does not reside at the last address provided to the agency, the agency shall make a diligent, good faith effort to learn the whereabouts of the person and to comply with these notification requirements.

(g) If the person requests a hearing, the court clerk shall set a hearing no later than 30 days from receipt of that request. The court clerk shall notify the person, the law enforcement agency involved, and the district attorney of the date, time, and place of the hearing. Unless it is shown by clear and convincing evidence that the return of the firearm or other deadly weapon would result in endangering

the victim or the person reporting the assault or threat, the court shall order the return of the firearm or other deadly weapon and shall award reasonable attorney's fees to the prevailing party.

(h) If the person does not request a hearing or does not otherwise respond within 30 days of the receipt of the notice, the law enforcement agency may file a petition for an order of default and may dispose of the firearm or other deadly weapon as provided in Section 12028.

(i) If, at the hearing, the court does not order the return of the firearm or other deadly weapon to the owner or person who had lawful possession, that person may petition the court for a second hearing within 12 months from the date of the initial hearing. If the owner or person who had lawful possession does not petition the court within this 12-month period for a second hearing or is unsuccessful at the second hearing in gaining return of the firearm or other deadly weapon, the firearm or other deadly weapon may be disposed of as provided in Section 12028.

(j) The law enforcement agency, or the individual law enforcement officer, shall not be liable for any act in the good faith exercise of this section.

SEC. 221.7. Section 12031 of the Penal Code is amended to read:

12031. (a) (1) Except as provided in subdivision (b), (c), or (d), every person who carries a loaded firearm on his or her person or in a vehicle while in any public place or on any public street in an incorporated city or in any public place or on any public street in a prohibited area of unincorporated territory is guilty of a misdemeanor.

(2) Notwithstanding paragraphs (2) and (3) of subdivision (a) of Section 836, a peace officer may make an arrest without a warrant:

(A) When the person arrested has violated this section, although not in the officer's presence.

(B) Whenever the officer has reasonable cause to believe that the person to be arrested has violated this section, whether or not this section has, in fact, been violated.

(3) (A) Every person convicted under this section who has previously been convicted of an offense enumerated in Section 12001.6, or of any crime made punishable under this chapter, shall serve a term of at least three months in a county jail, or, if granted probation, or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned for a period of at least three months.

(B) The court shall apply the three-month minimum sentence except in unusual cases where the interests of justice would best be served by granting probation or suspending the imposition or execution of sentence without the minimum imprisonment required in this subdivision or by granting probation or suspending the imposition or execution of sentence with conditions other than those set forth in this subdivision, in which case, the court shall specify on the record and shall enter on the minutes the circumstances

indicating that the interests of justice would best be served by such a disposition.

(b) Subdivision (a) shall not apply to any of the following:

(1) Peace officers listed in Section 830.1 or 830.2, whether active or honorably retired, other duly appointed peace officers, honorably retired peace officers listed in subdivision (c) of Section 830.5, full-time paid peace officers of other states and the federal government who are carrying out official duties while in California, or any person summoned by any of those officers to assist in making arrests or preserving the peace while the person is actually engaged in assisting that officer. Any peace officer described in this paragraph who has been honorably retired shall be issued an identification certificate by the agency from which the officer has retired. The issuing agency may charge a fee necessary to cover any reasonable expenses incurred by the agency in issuing certificates pursuant to this paragraph and paragraph (3).

Any officer retired after January 1, 1981, shall have an endorsement on the identification certificate stating that the issuing agency approves the officer's carrying of a loaded firearm.

No endorsement or renewal endorsement issued pursuant to paragraph (2) shall be effective unless it is in the format set forth in subparagraph (D) of paragraph (1) of subdivision (a) of Section 12027, except that any peace officer listed in subdivision (f) of Section 830.2 or in subdivision (c) of Section 830.5, who is retired between January 2, 1981, and on or before December 31, 1988, and who is authorized to carry a loaded firearm pursuant to this section, shall not be required to have an endorsement in the format set forth in subparagraph (D) of paragraph (1) of subdivision (a) of Section 12027 until the time of the issuance, on or after January 1, 1989, of a renewal endorsement pursuant to paragraph (2).

(2) A retired peace officer who retired after January 1, 1981, shall petition the issuing agency for renewal of his or her privilege to carry a loaded firearm every five years. An honorably retired peace officer, described in paragraph (1), retired prior to January 1, 1981, shall not be required to obtain an endorsement from the issuing agency to carry a firearm. The agency from which a peace officer is honorably retired may, upon initial retirement of the peace officer, or at any time subsequent thereto, deny or revoke, for good cause, the retired officer's privilege to carry a firearm.

(3) An honorably retired peace officer listed in subdivision (c) of Section 830.5 authorized to carry loaded firearms by this subdivision shall meet the training requirements of Section 832 and shall qualify with the firearm at least annually. The individual retired peace officer shall be responsible for maintaining his or her eligibility to carry a loaded firearm. The Department of Justice shall provide subsequent arrest notification pursuant to Section 11105.2 regarding honorably retired peace officers listed in subdivision (c) of Section 830.5 to the agency from which the officer has retired.

(4) Members of the military forces of this state or of the United

States engaged in the performance of their duties.

(5) Persons who are using target ranges for the purpose of practice shooting with a firearm or who are members of shooting clubs while hunting on the premises of those clubs.

(6) The carrying of pistols, revolvers, or other firearms capable of being concealed upon the person by persons who are authorized to carry those weapons pursuant to Article 3 (commencing with Section 12050) of Chapter 1 of Title 2 of Part 4.

(7) Armored vehicle guards, as defined in Section 7521 of the Business and Professions Code, (A) if hired prior to January 1, 1977; or (B) if hired on or after that date, if they have received a firearms qualification card from the Department of Consumer Affairs, in each case while acting within the course and scope of their employment.

(8) Upon approval of the sheriff of the county in which they reside, honorably retired federal officers or agents of federal law enforcement agencies including, but not limited to, the Federal Bureau of Investigation, the Secret Service, the United States Customs Service, the Federal Bureau of Alcohol, Tobacco, and Firearms, the Federal Bureau of Narcotics, the Drug Enforcement Administration, the United States Border Patrol, and officers or agents of the Internal Revenue Service who were authorized to carry weapons while on duty, who were assigned to duty within the state for a period of not less than one year, or who retired from active service in the state.

Retired federal officers or agents shall provide the sheriff with certification from the agency from which they retired certifying their service in the state, the nature of their retirement, and indicating the agency's concurrence that the retired federal officer or agent should be accorded the privilege of carrying a loaded firearm.

Upon approval, the sheriff shall issue a permit to the retired federal officer or agent indicating that he or she may carry a loaded firearm in accordance with this paragraph. The permit shall be valid for a period not exceeding five years, shall be carried by the retiree while carrying a loaded firearm, and may be revoked for good cause.

The sheriff of the county in which the retired federal officer or agent resides may require recertification prior to a permit renewal, and may suspend the privilege for cause. The sheriff may charge a fee necessary to cover any reasonable expenses incurred by the county.

(c) Subdivision (a) shall not apply to any of the following who have completed a regular course in firearms training approved by the Commission on Peace Officer Standards and Training:

(1) Patrol special police officers appointed by the police commission of any city, county, or city and county under the express terms of its charter who also, under the express terms of the charter, (A) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (B) are not less than 18 years of age nor more than 40 years of age, (C)

possess physical qualifications prescribed by the commission, and (D) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.

(2) The carrying of weapons by animal control officers or zookeepers, regularly compensated as such by a governmental agency when acting in the course and scope of their employment and when designated by a local ordinance or, if the governmental agency is not authorized to act by ordinance, by a resolution, either individually or by class, to carry the weapons, or by persons who are authorized to carry the weapons pursuant to Section 607f of the Civil Code, while actually engaged in the performance of their duties pursuant to that section.

(3) Harbor police officers designated pursuant to Section 663.5 of the Harbors and Navigation Code.

(d) Subdivision (a) shall not apply to any of the following who have been issued a certificate pursuant to Section 12033. The certificate shall not be required of any person who is a peace officer, who has completed all training required by law for the exercise of his or her power as a peace officer, and who is employed while not on duty as a peace officer.

(1) Guards or messengers of common carriers, banks, and other financial institutions while actually employed in and about the shipment, transportation, or delivery of any money, treasure, bullion, bonds, or other thing of value within this state.

(2) Guards of contract carriers operating armored vehicles pursuant to California Highway Patrol and Public Utilities Commission authority (A) if hired prior to January 1, 1977; or (B) if hired on or after January 1, 1977, if they have completed a course in the carrying and use of firearms which meets the standards prescribed by the Department of Consumer Affairs.

(3) Private investigators and private patrol operators who are licensed pursuant to Chapter 11.5 (commencing with Section 7512) of, and alarm company operators who are licensed pursuant to Chapter 11.6 (commencing with Section 7590) of, Division 3 of the Business and Professions Code, while acting within the course and scope of their employment.

(4) Uniformed security guards or night watch persons employed by any public agency, while acting within the scope and in the course of their employment.

(5) Uniformed security guards, regularly employed and compensated in that capacity by persons engaged in any lawful business, and uniformed alarm agents employed by an alarm company operator, while actually engaged in protecting and preserving the property of their employers or on duty or en route to or from their residences or their places of employment, and security guards and alarm agents en route to or from their residences or employer-required range training. Nothing in this paragraph shall be construed to prohibit cities and counties from enacting ordinances

requiring alarm agents to register their names.

(6) Uniformed employees of private patrol operators and private investigators licensed pursuant to Chapter 11.5 (commencing with Section 7512) of Division 3 of the Business and Professions Code while acting within the course and scope of their employment.

(e) In order to determine whether or not a firearm is loaded for the purpose of enforcing this section, peace officers are authorized to examine any firearm carried by anyone on his or her person or in a vehicle while in any public place or on any public street in an incorporated city or prohibited area of an unincorporated territory. Refusal to allow a peace officer to inspect a firearm pursuant to this section constitutes probable cause for arrest for violation of this section.

(f) As used in this section, "prohibited area" means any place where it is unlawful to discharge a weapon.

(g) A firearm shall be deemed to be loaded for the purposes of this section when there is an unexpended cartridge or shell, consisting of a case which holds a charge of powder and a bullet or shot, in, or attached in any manner to, the firearm, including, but not limited to, in the firing chamber, magazine, or clip thereof attached to the firearm; except that a muzzle-loader firearm shall be deemed to be loaded when it is capped or primed and has a powder charge and ball or shot in the barrel or cylinder.

(h) Nothing in this section shall prevent any person engaged in any lawful business, including a nonprofit organization, or any officer, employee, or agent authorized by that person for lawful purposes connected with that business, from having a loaded firearm within the person's place of business, or any person in lawful possession of private property from having a loaded firearm on that property.

(i) Nothing in this section shall prevent any person from carrying a loaded firearm in an area within an incorporated city while engaged in hunting, provided that the hunting at that place and time is not prohibited by the city council.

(j) (1) Nothing in this section is intended to preclude the carrying of any loaded firearm, under circumstances where it would otherwise be lawful, by a person who reasonably believes that the person or property of himself or herself or of another is in immediate, grave danger and that the carrying of the weapon is necessary for the preservation of that person or property. As used in this subdivision, "immediate" means the brief interval before and after the local law enforcement agency, when reasonably possible, has been notified of the danger and before the arrival of its assistance.

(2) A violation of this section is justifiable when a person who possesses a firearm reasonably believes that he or she is in grave danger because of circumstances forming the basis of a current restraining order issued by a court against another person or persons who has or have been found to pose a threat to his or her life or safety. This paragraph may not apply when the circumstances involve a

mutual restraining order issued pursuant to Division 10 (commencing with Section 6200) of the Family Code absent a factual finding of a specific threat to the person's life or safety. It is not the intent of the Legislature to limit, restrict, or narrow the application of current statutory or judicial authority to apply this or other justifications to defendants charged with violating Section 12025 or of committing other similar offenses.

Upon trial for violating this section, the trier of fact shall determine whether the defendant was acting out of a reasonable belief that he or she was in grave danger.

(k) Nothing in this section is intended to preclude the carrying of a loaded firearm by any person while engaged in the act of making or attempting to make a lawful arrest.

(*l*) Nothing in this section shall prevent any person from having a loaded weapon, if it is otherwise lawful, at his or her place of residence, including any temporary residence or campsite.

SEC. 221.8. Section 12070 of the Penal Code is amended to read:

12070. (a) No person shall sell, lease, or transfer firearms unless he or she has been issued a license pursuant to Section 12071. Any person violating this section is guilty of a misdemeanor.

(b) Subdivision (a) does not include any of the following:

(1) The sale, lease, or transfer of any firearm by a person acting pursuant to operation of law, a court order, or pursuant to the Enforcement of Judgments Law (Title 9 (commencing with Section 680.010) of Part 2 of the Code of Civil Procedure), or by a person who liquidates a personal firearm collection to satisfy a court judgment.

(2) A person acting pursuant to subdivision (e) of Section 186.22a or subdivision (c) of Section 12028.

(3) The sale, lease, or transfer of a firearm by a person who obtains title to the firearm by intestate succession or by bequest or as a surviving spouse pursuant to Chapter 1 (commencing with Section 13500) of Part 2 of Division 8 of the Probate Code, provided the person disposes of the firearm within 60 days of receipt of the firearm.

(4) The infrequent sale, lease, or transfer of firearms.

(5) The sale, lease, or transfer of used firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, at gun shows or events, as specified in subparagraph (B) of paragraph (1) of subdivision (b) of Section 12071, by a person other than a licensee or dealer, provided the person has a valid federal firearms license and a certificate of eligibility issued by the Department of Justice, as specified in Section 12071, and provided all the sales, leases, or transfers fully comply with subdivision (d) of Section 12072. However, the person shall not engage in the sale, lease, or transfer of used firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person at more than 12 gun shows or events in any calendar year and shall not sell, lease, or transfer more than 15 used firearms other than pistols, revolvers, or other firearms capable of being concealed upon the

person at any single gun show or event. In no event shall the person sell more than 75 used firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person in any calendar year.

A person described in this paragraph shall be known as a "Gun Show Trader."

The Department of Justice shall adopt regulations to administer this program and shall recover the full costs of administration from fees assessed applicants.

As used in this paragraph, the term "used firearm" means a firearm that has been sold previously at retail and is more than three years old.

(6) The activities of a law enforcement agency pursuant to Section 12084.

(7) Deliveries, sales, or transfers of firearms between or to importers and manufacturers of firearms licensed to engage in business pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(8) The sale, delivery, or transfer of firearms by manufacturers or importers licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto to dealers or wholesalers.

(9) Deliveries and transfers of firearms made pursuant to Section 12028, 12028.5, or 12030.

(10) The loan of a firearm for the purposes of shooting at targets if the loan occurs on the premises of a target facility which holds a business or regulatory license or on the premises of any club or organization organized for the purposes of practicing shooting at targets upon established ranges, whether public or private, if the firearm is at all times kept within the premises of the target range or on the premises of the club or organization.

(11) Sales, deliveries, or transfers of firearms by manufacturers, importers, or wholesalers licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto to persons who reside outside this state who are licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto if the sale, delivery, or transfer is in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(12) Sales, deliveries, or transfers of firearms by persons who reside outside this state and are licensed outside this state pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto to wholesalers, manufacturers, importers, or persons licensed as dealers if the sale, delivery, or transfer is in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code

and the regulations issued pursuant thereto.

(13) Sales, deliveries, or transfers of firearms by wholesalers to dealers.

(14) Sales, deliveries, or transfers of firearms by persons who reside outside this state to dealers, if the sale, delivery, or transfer is in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code, and the regulations issued pursuant thereto.

(c) (1) As used in this section, "infrequent" means:

(A) For pistols, revolvers, and other firearms capable of being concealed upon the person, less than six transactions per calendar year. For this purpose, "transaction" means a single sale, lease, or transfer of any number of pistols, revolvers, or other firearms capable of being concealed upon the person.

(B) For firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, occasional and without regularity.

(2) As used in this section, "operation of law" includes, but is not limited to, any of the following:

(A) The executor or administrator of an estate if the estate includes firearms.

(B) A secured creditor or an agent or employee thereof when the firearms are possessed as collateral for, or as a result of, a default under a security agreement under the Commercial Code.

(C) A levying officer, as defined in Section 481.140, 511.060, or 680.260 of the Code of Civil Procedure.

(D) A receiver performing his or her functions as a receiver if the receivership estate includes firearms.

(E) A trustee in bankruptcy performing his or her duties if the bankruptcy estate includes firearms.

(F) An assignee for the benefit of creditors performing his or her functions as an assignee, if the assignment includes firearms.

(G) A transmutation of property between spouses pursuant to Section 850 of the Family Code.

SEC. 221.9. Section 12076 of the Penal Code is amended to read:

12076. (a) The purchaser or transferee of any firearm shall be required to present clear evidence of his or her identity and age, as defined in Section 12071, to the dealer, and the dealer shall require him or her to sign his or her current legal name and affix his or her residence address and date of birth to the register in quadruplicate. The salesperson shall affix his or her signature to the register in quadruplicate as a witness to the signature and identification of the purchaser or transferee. Any person furnishing a fictitious name or address or knowingly furnishing any incorrect information or knowingly omitting any information required to be provided for the register and any person violating any provision of this section is guilty of a misdemeanor.

(b) Two copies of the original sheet of the register, on the date of sale or transfer, shall be placed in the mail, postage prepaid, and

properly addressed to the Department of Justice in Sacramento. The third copy of the original shall be mailed, postage prepaid, to the chief of police, or other head of the police department, of the city or county wherein the sale or transfer is made. Where the sale or transfer is made in a district where there is no municipal police department, the third copy of the original sheet shall be mailed to the sheriff of the county wherein the sale or transfer is made.

The third copy for firearms, other than pistols, revolvers, or other firearms capable of being concealed upon the person shall be destroyed within five days of receipt and no information shall be compiled therefrom.

(c) The department shall examine its records, as well as those records that it is authorized to request from the State Department of Mental Health pursuant to Section 8104 of the Welfare and Institutions Code, in order to determine if the purchaser or transferee is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

If the department determines that the purchaser or transferee is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code, it shall immediately notify the dealer and the chief of the police department of the city or county in which the sale or transfer was made, or if the sale or transfer was made in a district in which there is no municipal police department, the sheriff of the county in which the sale or transfer was made, of that fact.

If the department determines that the copies of the register submitted to it pursuant to subdivision (b) contain any blank spaces or inaccurate, illegible, or incomplete information, preventing identification of the purchaser or transferee or the pistol, revolver, or other firearm to be purchased or transferred, or if any fee required pursuant to subdivision (d) is not submitted by the dealer in conjunction with submission of copies of the register, the department may notify the dealer of that fact. Upon notification by the department, the dealer shall submit corrected copies of the register to the department, or shall submit any fee required pursuant to subdivision (d), or both, as appropriate and, if notification by the department is received by the dealer at any time prior to delivery of the firearm to be purchased or transferred, the dealer shall withhold delivery until the conclusion of the waiting period described in Sections 12071 and 12072.

(d) The Department of Justice may charge the dealer a fee sufficient to reimburse all of the following:

(1) (A) The department for the cost of furnishing this information.

(B) The department for the cost of meeting its obligations under paragraph (2) of subdivision (b) of Section 8100 of the Welfare and Institutions Code.

(2) Local mental health facilities for state-mandated local costs resulting from the reporting requirements imposed by the

amendments to Section 8103 of the Welfare and Institutions Code, made by the act which also added this paragraph.

(3) The State Department of Mental Health for the costs resulting from the requirements imposed by the amendments to Section 8104 of the Welfare and Institutions Code made by the act which also added this paragraph.

(4) Local mental hospitals, sanitariums, and institutions for state-mandated local costs resulting from the reporting requirements imposed by Section 8105 of the Welfare and Institutions Code.

(5) Local law enforcement agencies for state-mandated local costs resulting from the notification requirements set forth in subdivision (a) of Section 6385 of the Family Code created by the act which also added this paragraph.

(6) Local law enforcement agencies for state-mandated local costs resulting from the notification requirements set forth in subdivision (c) of Section 8105 of the Welfare and Institutions Code.

The fee established pursuant to this subdivision shall not exceed the sum of the actual processing costs of the department, the estimated reasonable costs of the local mental health facilities for complying with the reporting requirements imposed by the act which added paragraph (2) to this subdivision, the costs of the State Department of Mental Health for complying with the requirements imposed by the act which added paragraph (3) to this subdivision, the estimated reasonable costs of local mental hospitals, sanitariums, and institutions for complying with the reporting requirements imposed by the act which added paragraph (4) to this subdivision, the estimated reasonable costs of local law enforcement agencies for complying with the notification requirements set forth in subdivision (a) of Section 6385 of the Family Code created by the act which added paragraph (5) to this subdivision, and the estimated reasonable costs of local law enforcement agencies for complying with the notification requirements set forth in subdivision (c) of Section 8105 of the Welfare and Institutions Code created by the act which added paragraph (6) to this subdivision.

(e) (1) The Department of Justice may charge a fee sufficient to reimburse it for each of the following:

(A) For the actual costs associated with the preparation, sale, processing, and filing of forms or reports required or utilized pursuant to Section 12078 if neither a dealer nor a law enforcement agency acting pursuant to Section 12084 is filing the form or report.

(B) For the actual processing costs associated with the submission of a Dealers' Record of Sale to the department by a dealer or of the submission of a LEFT to the department by a law enforcement agency acting pursuant to Section 12084 if the waiting period described in Sections 12071, 12072, and 12084 does not apply.

(C) For the actual costs associated with the preparation, sale, processing, and filing of reports utilized pursuant to subdivision (*l*) of Section 12078.

(2) If the department charges a fee pursuant to subparagraph (B) of paragraph (1) of this subdivision, it shall be charged in the same amount to all categories of transaction that are within that subparagraph.

(3) Any costs incurred by the Department of Justice to implement this subdivision shall be reimbursed from fees collected and charged pursuant to this subdivision. No fees shall be charged to the dealer pursuant to subdivision (d) or to a law enforcement agency acting pursuant to paragraph (6) of subdivision (d) of Section 12084 for costs incurred for implementing this subdivision.

(f) All money received by the department pursuant to this section shall be deposited in the Dealers' Record of Sale Special Account of the General Fund, which is hereby created, to be available, upon appropriation by the Legislature, for expenditure by the department to offset the costs incurred pursuant to this section and Section 12289.

(g) Only one fee shall be charged pursuant to this section for a single transaction on the same date for the sale or transfer of any number of firearms that are not pistols, revolvers, or other firearms capable of being concealed upon the person or for the taking of possession of those firearms.

(h) Only one fee shall be charged pursuant to this section for a single transaction on the same date for taking title or possession of any number of firearms pursuant to subdivision (i) of Section 12078.

(i) Whenever the Department of Justice acts pursuant to this section as it pertains to firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, the department's acts or omissions shall be deemed to be discretionary within the meaning of the California Tort Claims Act pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

SEC. 222. Section 12078 of the Penal Code is amended to read:

12078. (a) (1) The preceding provisions of this article, except subdivision (e) of Section 12076, do not apply to deliveries, transfers, or sales of firearms 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 deliveries, transfers, or sales of firearms made to authorized representatives of cities, cities and counties, counties, state or federal governments for use by those governmental agencies. Proper identification is defined as verifiable written certification from the head of the agency by which the purchaser or transferee is employed, identifying the purchaser or transferee as a peace officer who is authorized to carry firearms while in the performance of his or her duties, and authorizing the purchase or transfer. The certification shall be delivered to the seller or transferor at the time of purchase or transfer and the purchaser or transferee shall identify himself or herself as the person authorized in the certification. On the day the sale, delivery, or transfer is made,

where a peace officer is receiving the firearm, and either a dealer is not the seller or transferor, or is not otherwise the person responsible for the delivery of the firearm, or the transfer or sale is not conducted through a law enforcement agency pursuant to Section 12084, the peace officer shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the seller or transferor, the buyer or transferee, the firearm as is indicated in Section 12077, together with the original certification. On the day the sale, delivery, or transfer is made, where a dealer is the seller, transferor, or otherwise responsible for delivery of the firearm, the dealer shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12077, together with the original certification. On the day the sale, delivery, or transfer is made, where the transfer is conducted pursuant to Section 12084, the law enforcement agency shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12084, together with the original certification. The reports which peace officers shall complete shall be provided to them by the department. No report need be submitted to the Department of Justice where a peace officer receiving the firearm received it from his or her employer in accordance with the applicable rules, regulations, or procedures of the employer.

(2) The preceding provisions of this article, except subdivision (e) of Section 12076, do not apply to deliveries, transfers, or sales of firearms made to peace officers as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 made pursuant to Section 10334 of the Public Contract Code. On the day the sale, delivery, or transfer is made, and a dealer is not the person responsible for the delivery of the firearm or the transfer or sale is not conducted through a law enforcement agency pursuant to Section 12084, the peace officer receiving the firearm shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the seller or transferor, the buyer or transferee, and the firearm as is indicated in Section 12077. On the day the sale, delivery, or transfer is made, where a dealer is responsible for delivery of the firearm, the dealer shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12077. On the day the sale, delivery, or transfer is made where the transfer is conducted pursuant to Section 12084, the law enforcement agency shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12084. The reports which peace officers shall complete shall be the same as those set forth in paragraph (1) of this subdivision and shall be provided to them by the department.

(3) Subdivision (d) of Section 12072 does not apply to sales,

deliveries, or transfers of firearms to authorized representatives of cities, cities and counties, counties, or state or federal governments for those governmental agencies where the entity is acquiring the weapon as part of an authorized, voluntary program where the entity is buying or receiving weapons from private individuals. Any weapons acquired pursuant to this subdivision shall be disposed of pursuant to the applicable provisions of Section 12028 or 12032.

(b) Section 12071 and subdivisions (c) and (d) of Section 12072 shall not apply to deliveries, sales, or transfers of firearms between or to importers and manufacturers of firearms licensed to engage in that business pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(c) (1) Subdivision (d) of Section 12072 shall not apply to the infrequent transfer of firearms by gift, bequest, intestate succession, or other means by one individual to another if both individuals are members of the same immediate family.

(2) As used in this subdivision, immediate family member means any one of the following relationships:

(A) Parent and child.

(B) Grandparent and grandchild.

(d) Subdivision (d) of Section 12072 shall not apply to the infrequent loan of firearms between persons who are personally known to each other for any lawful purpose, if the loan does not exceed 30 days in duration.

(e) Section 12071 and subdivisions (c) and (d) of Section 12072 shall not apply to the delivery of a firearm to a gunsmith for service or repair.

(f) Subdivision (d) of Section 12072 shall not apply to the sale, delivery, or transfer of firearms by persons who reside in this state to persons who reside outside this state who are licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto, if the sale, delivery, or transfer is in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(g) (1) Subdivision (d) of Section 12072 shall not apply to the infrequent sale or transfer of a firearm, other than a pistol, revolver, or other firearm capable of being concealed upon the person, at auctions or similar events conducted by nonprofit mutual or public benefit corporations organized pursuant to the Corporations Code.

As used in this paragraph, the term "infrequent" shall not be construed to prohibit different local chapters of the same nonprofit corporation from conducting auctions or similar events, provided the individual local chapter conducts the auctions or similar events infrequently. It is the intent of the Legislature that different local chapters, representing different localities, be entitled to invoke the exemption created by this paragraph, notwithstanding the frequency with which other chapters of the same nonprofit

corporation may conduct auctions of similar events.

(2) Subdivision (d) of Section 12072 shall not apply to the transfer of a firearm other than a pistol, revolver, or other firearm capable of being concealed upon the person, if the firearm is donated for an auction or similar event described in paragraph (1) and the firearm is delivered to the nonprofit corporation immediately preceding, or contemporaneous with, the auction or similar event.

(3) The waiting period described in Sections 12071 and 12072 shall not apply to a dealer who delivers a firearm other than a pistol, revolver, or other firearm capable of being concealed upon the person, at an auction or similar event described in paragraph (1), as authorized by subparagraph (C) of paragraph (1) of subdivision (b) of Section 12071. Within 48 hours of the sale, delivery, or transfer, the dealer shall forward by prepaid mail to the Department of Justice a report of the same as is indicated in paragraph (3) of subdivision (a) of Section 12077.

(h) Subdivision (d) of Section 12072 shall not apply to the loan of a firearm for the purposes of shooting at targets if the loan occurs on the premises of a target facility which holds a business or regulatory license or on the premises of any club or organization organized for the purposes of practicing shooting at targets upon established ranges, whether public or private, if the firearm is at all times kept within the premises of the target range or on the premises of the club or organization.

(i) (1) Subdivision (d) of Section 12072 shall not apply to a person who takes title or possession of firearms by operation of law if all the following conditions are met:

(A) The person is not prohibited by Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code from possessing firearms.

(B) If the firearms are pistols, revolvers, or other firearms capable of being concealed upon the person, and the person is not a levying officer as defined in Section 481.140, 511.060, or 680.210 of the Code of Civil Procedure, the person shall within 30 days of taking possession, forward by prepaid mail to the Department of Justice, a report of the same and the type of information concerning the individual taking possession of the firearm, how title or possession was obtained and from whom, and a description of the firearm in question. The reports which individuals complete pursuant to this paragraph shall be provided to them by the Department of Justice.

(C) In the case of a transmutation of property between spouses made in accordance with Section 850 of the Family Code consisting of a pistol, revolver, or other firearm capable of being concealed upon the person, taking place on or after October 1, 1993, a basic firearm safety certificate shall be required.

(2) Subdivision (d) of Section 12072 shall not apply to a person who takes possession of a firearm by operation of law in a representative capacity who transfers ownership of the firearm to himself or herself in his or her individual capacity. In the case of a

pistol, revolver, or other firearm capable of being concealed upon the person, on and after October 1, 1993, that individual shall have a basic firearm safety certificate in order for the exemption set forth in this paragraph to apply.

(j) Subdivision (d) of Section 12072 shall not apply to deliveries, transfers, or returns of firearms made pursuant to Section 12028, 12028.5, or 12030.

(k) Section 12071 and subdivision (c) of Section 12072 shall not apply to:

(1) The delivery, sale, or transfer of firearms that are not pistols, revolvers, or other firearms capable of being concealed upon the person by a dealer to another dealer upon proof that the person receiving the firearm is licensed pursuant to Section 12071.

(2) The delivery, sale, or transfer of firearms by dealers to persons who reside outside this state who are licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(3) The delivery, sale, or transfer of firearms to a wholesaler if the firearms are being returned to the wholesaler and are intended as merchandise in the wholesaler's business.

(4) The delivery, sale, or transfer of unloaded firearms by one dealer to another dealer if the firearms are intended as merchandise in the receiving dealer's business upon proof that the person receiving the firearm is licensed pursuant to Section 12071.

(*l*) A person who is exempt from subdivision (d) of Section 12072 or is otherwise not required by law to report his or her acquisition, ownership, or disposal of a pistol, revolver, or other firearm capable of being concealed upon the person or who moves out of this state with his or her pistol, revolver, or other firearm capable of being concealed upon the person may submit a report of the same to the Department of Justice in a format prescribed by the department.

(m) As used in this section:

(1) "Infrequent" has the same meaning as in paragraph (1) of subdivision (c) of Section 12070.

(2) "A person taking title or possession of firearms by operation of law" includes, but is not limited to, any of the following instances wherein an individual receives title to, or possession of, firearms:

(A) The executor or administrator of an estate if the estate includes firearms.

(B) A secured creditor or an agent or employee thereof when the firearms are possessed as collateral for, or as a result of, a default under a security agreement under the Commercial Code.

(C) A levying officer, as defined in Section 481.140, 511.060, or 680.260 of the Code of Civil Procedure.

(D) A receiver performing his or her functions as a receiver if the receivership estate includes firearms.

(E) A trustee in bankruptcy performing his or her duties if the bankruptcy estate includes firearms.

(F) An assignee for the benefit of creditors performing his or her

functions as an assignee, if the assignment includes firearms.

(G) A transmutation of property consisting of firearms pursuant to Section 850 of the Family Code.

(H) Firearms passing to a surviving spouse pursuant to Chapter 1 (commencing with Section 13500) of Part 2 of Division 8 of the Probate Code.

SEC. 222.7. Section 14152 of the Penal Code is amended to read:

14152. (a) The district attorney may refer cases involving conduct which could be charged as a misdemeanor to the community conflict resolution program. In determining whether to refer a case to the community conflict resolution program, the district attorney shall consider, but is not limited to considering, all of the following:

(1) The nature of the conduct in question.

(2) The nature of the relationship between the alleged victim and the person alleged to have committed the conduct.

(3) Whether referral to the community conflict resolution program is likely to help resolve underlying issues which are likely to result in additional conduct which could be the subject of criminal charges.

(b) No case where there has been a history of child abuse, sexual assault, or domestic violence, as that term is defined in Section 6211 of the Family Code, between the alleged victim and the person alleged to have committed the conduct, or where a protective order, as defined in Section 6218 of the Family Code, is in effect, shall be referred to the community conflict resolution program.

SEC. 223. Section 3072 of the Probate Code, as amended by Chapter 163 of the Statutes of 1992, is amended to read:

3072. (a) Except as provided in subdivision (b), a conservator may join in or consent to a transaction under Section 3071 only after authorization by either of the following:

(1) An order of the court obtained in the conservatorship proceeding upon a petition filed pursuant to Section 2403 or under Article 7 (commencing with Section 2540) or 10 (commencing with Section 2580) of Chapter 6 of Part 4.

(2) An order of the court made in a proceeding pursuant to Chapter 3 (commencing with Section 3100).

(b) A conservator may consent without court authorization to a sale, conveyance, or encumbrance of community personal property requiring consent under subdivision (c) of Section 1100 of the Family Code if the conservator could sell or transfer the property under Section 2545 without court authorization if the property were a part of the conservatorship estate.

SEC. 224. Section 3073 of the Probate Code, as amended by Chapter 163 of the Statutes of 1992, is amended to read:

3073. (a) The joinder or consent under Section 3071 of a spouse having legal capacity shall be in a manner that complies with Section 1100 or 1102 of the Family Code or other statute that applies to the transaction.

(b) The joinder or consent under Section 3071 of a conservator shall be in the same manner as a spouse would join in or consent to the transaction under the statute that applies to the transaction except that the joinder or consent shall be executed by the conservator and shall refer to the court order, if one is required, authorizing the conservator to join in or consent to the transaction.

SEC. 224.3. Section 5022 of the Probate Code is amended to read:

5022. (a) Except as provided in subdivision (b), a spouse's written consent to a provision for a nonprobate transfer of community property on death is not a transmutation of the consenting spouse's interest in the property.

(b) This chapter does not apply to a spouse's written consent to a provision for a nonprobate transfer of community property on death that satisfies Section 852 of the Family Code. Such a consent is a transmutation and is governed by the law applicable to transmutations.

SEC. 224.5. Section 5030 of the Probate Code is amended to read:

5030. (a) A spouse's written consent to a provision for a nonprobate transfer of community property on death is revocable during the marriage.

(b) On termination of the marriage by dissolution or on legal separation, the written consent is revocable and the community property is subject to division under Division 7 (commencing with Section 2500) of the Family Code or other disposition on order within the jurisdiction of the court.

(c) On the death of either spouse, the written consent is irrevocable.

SEC. 224.7. Section 5305 of the Probate Code is amended to read:

5305. (a) Notwithstanding Sections 5301 to 5303, inclusive, if parties to an account are married to each other, whether or not they are so described in the deposit agreement, their net contribution to the account is presumed to be and remain their community property.

(b) Notwithstanding Sections 2581 and 2640 of the Family Code, the presumption established by this section is a presumption affecting the burden of proof and may be rebutted by proof of either of the following:

(1) The sums on deposit that are claimed to be separate property can be traced from separate property unless it is proved that the married persons made a written agreement that expressed their clear intent that the sums be their community property.

(2) The married persons made a written agreement, separate from the deposit agreement, that expressly provided that the sums on deposit, claimed not to be community property, were not to be community property.

(c) Except as provided in Section 5307, a right of survivorship arising from the express terms of the account or under Section 5302, a beneficiary designation in a Totten trust account, or a P.O.D. payee designation, may not be changed by will.

(d) Except as provided in subdivisions (b) and (c), a multiple-party account created with community property funds does not in any way alter community property rights.

SEC. 225. Section 19001 of the Revenue and Taxation Code is amended to read:

19001. (a) When a child support delinquency is reported to the State Department of Social Services pursuant to Chapter 4 (commencing with Section 4700) of Part 5 of Division 9 of the Family Code, the county district attorney reporting that delinquency may refer, pursuant to the guidelines prescribed by the State Department of Social Services and the Franchise Tax Board for purposes of implementing this article, the delinquency to the Franchise Tax Board for collection. For the period from January 1, 1993, to December 31, 1995, inclusive, for purposes of the manageable implementation and evaluation of the program authorized by this article, requests for referral shall only be made from district attorneys representing six counties, selected upon application, which may include two rural counties, two suburban counties, and two urban counties. These counties shall be selected by the State Department of Social Services and the Franchise Tax Board in consultation with county representatives.

(b) (1) When a delinquency is referred to the Franchise Tax Board pursuant to subdivision (a), the amount of the child support delinquency, and any interest accruing under subdivision (c), shall be collected from obligated parents by the Franchise Tax Board in any manner authorized under this part for the collection of a delinquent personal income tax liability.

(2) Any compensation, fee, commission, expense, or any other fee for service incurred by the Franchise Tax Board in the collection of a child support delinquency authorized under this article shall not be an obligation of, or collected from, the obligated parent. A referred child support delinquency shall be final and due and payable to the State of California upon written notice to the obligated parent by the Franchise Tax Board.

(3) For purposes of administering this article:

(A) This chapter and Chapter 21 (commencing with Section 19251) shall apply, except as otherwise provided by this article.

(B) Any services, information, or enforcement remedies available to a district attorney or the Title IV-D agency in collecting support delinquencies or locating absent or noncustodial parents shall be available to the Franchise Tax Board for purposes of collecting child support delinquencies under this article.

(C) A request by the Franchise Tax Board for information from a financial institution shall be treated in the same manner and to the same extent as a request for information from a district attorney referring to a support order pursuant to Section 11475.1 of the Welfare and Institutions Code for purposes of Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code (relating to governmental access to financial

records), notwithstanding any other provision of law which is inconsistent or contrary to this paragraph.

(D) "Earnings" may include the items described in Section 5206 of the Family Code.

(c) Interest on the delinquency shall be computed pursuant to Section 685.010 of the Code of Civil Procedure and shall be computed from the day the Franchise Tax Board receives the delinquency from the county. When notice of the amount due, including interest, is mailed by the Franchise Tax Board, and that amount is paid within 10 days after the date of the notice from the Franchise Tax Board, interest shall not be imposed for the period after the date of the notice.

(d) In the event the collection action would cause undue financial hardship to the obligated parent, would threaten the health or welfare of the obligated parent or his or her family, or would cause undue irreparable loss to the obligated parent, the obligated parent may notify the Franchise Tax Board, which shall upon being notified refer the obligated parent to the referring county district attorney, unless the Franchise Tax Board is directed otherwise by the county district attorney for purposes of more effectively administering this article.

(e) (1) In no event shall a collection under this article be construed to be a payment of income taxes imposed under this part.

(2) In the event an obligated parent overpays a liability imposed under this part, the overpayment shall not be credited against any delinquency collected pursuant to this article. In the event an overpayment of a liability imposed under this part is offset and distributed to a referring county district attorney pursuant to Sections 12419.3 and 12419.5 of the Government Code or Section 708.740 of the Code of Civil Procedure, and thereby reduces the amount of the referred delinquency, the referring county district attorney shall immediately notify the Franchise Tax Board of that reduction, unless otherwise directed for purposes of more effectively administering this article.

(f) Except as otherwise provided in this article, any child support delinquency referred to the Franchise Tax Board pursuant to this article shall be treated as a child support delinquency for all other purposes, and any collection action by the county district attorney or the Franchise Tax Board with respect to any delinquency referred pursuant to this article shall have the same priority against attachment, execution, assignment, or other collection action as is provided by any other provision of state law.

(g) For purposes of this article, "child support" means support of a child, spouse, or family as provided in Section 150 of the Family Code.

(h) Nothing in this article shall be construed to modify the tax intercept provisions of Article 8 (commencing with Section 708.710) of Chapter 6 of Division 2 of Part 2 of the Code of Civil Procedure.

(i) The child support collection activities authorized by this

article shall not interfere with the primary mission of the Franchise Tax Board to fairly and efficiently administer the Revenue and Taxation Code for which it is responsible.

SEC. 225.5. Section 304 of the Welfare and Institutions Code is amended to read:

304. When a minor has been adjudged a dependent child of the juvenile court pursuant to subdivision (c) of Section 360, no other division of any superior court may hear proceedings pursuant to Part 2 (commencing with Section 3020) of Division 8 of the Family Code regarding the custody of the minor. While the minor is a dependent child of the court all issues regarding his or her custody shall be heard by the juvenile court. In deciding issues between the parents or between a parent and a guardian regarding custody of a minor who has been adjudicated a dependent of the juvenile court, the juvenile court may review any records that would be available to the domestic relations division of a superior court hearing such a matter. The juvenile court, on its own motion, may issue an order directed to either of the parents enjoining any action described in Section 6218 of the Family Code. The Judicial Council shall adopt forms for these restraining orders. These form orders shall not be confidential and shall be enforceable in the same manner as any other order issued pursuant to Division 10 (commencing with Section 6200) of the Family Code.

This section shall not be construed to divest the domestic relations division of a superior court from hearing any issues regarding the custody of a minor when that minor is no longer a dependent of the juvenile court.

SEC. 226. Section 361.5 of the Welfare and Institutions Code is amended to read:

361.5. (a) Except as provided in subdivision (b), whenever a minor is removed from a parent's or guardian's custody, the juvenile court shall order the probation officer to provide child welfare services to the minor and the minor's parents or guardians for the purpose of facilitating reunification of the family within a maximum time period not to exceed 12 months. The court also shall make findings pursuant to subdivision (a) of Section 366. When counseling or other treatment services are ordered, the parent shall be ordered to participate in those services, unless the parent's participation is deemed by the court to be inappropriate or potentially detrimental to the child. Services may be extended up to an additional six months if it can be shown that the objectives of the service plan can be achieved within the extended time period. Physical custody of the minor by the parents or guardians during the 18-month period shall not serve to interrupt the running of the period. If at the end of the 18-month period, a child cannot be safely returned to the care and custody of a parent or guardian without court supervision, but the child clearly desires contact with the parent or guardian, the court shall take the child's desire into account in devising a permanency plan.

Except in cases where, pursuant to subdivision (b), the court does not order reunification services, the court shall inform the parent or parents of Section 366.25 or 366.26 and shall specify that the parent's or parents' parental rights may be terminated.

(b) Reunification services need not be provided to a parent described in this subdivision when the court finds, by clear and convincing evidence, any of the following:

(1) That the whereabouts of the parents is unknown. A finding pursuant to this paragraph shall be supported by an affidavit or by proof that a reasonably diligent search has failed to locate the parent. The posting or publication of notices is not required in such a search.

(2) That the parent is suffering from a mental disability that is described in Chapter 2 (commencing with Section 7820) of Part 4 of Division 12 of the Family Code and that renders him or her incapable of utilizing those services.

(3) That the minor had been previously adjudicated a dependent pursuant to any subdivision of Section 300 as a result of physical or sexual abuse, that following that adjudication the minor had been removed from the custody of his or her parent or guardian pursuant to Section 361, that the minor has been returned to the custody of the parent or parents or guardian or guardians from whom the minor had been taken originally, and that the minor is being removed pursuant to Section 361, due to additional physical or sexual abuse. However, this section is not applicable if the jurisdiction of the juvenile court has been dismissed prior to the additional abuse.

(4) That the parent of the minor has been convicted of causing the death of another child through abuse or neglect.

(5) That the minor was brought within the jurisdiction of the court under subdivision (e) of Section 300 because of the conduct of that parent.

(6) That the minor has been adjudicated a dependent pursuant to any subdivision of Section 300 as a result of severe sexual abuse or the infliction of severe physical harm by a parent or guardian, as defined in this subdivision, and the court makes a factual finding that it would not benefit the child to pursue reunification services with the offending parent or guardian.

A finding of severe sexual abuse, for the purposes of this subdivision, may be based on, but is not limited to, sexual intercourse or stimulation involving genital-genital, oral-genital, anal-genital, or oral-anal contact, whether between the parent or guardian and the child, or between the child and another person or animal with the actual or implied consent of, and for the financial gain or other advantage of, the parent or guardian; or the penetration or manipulation of the child's genital organs or rectum by any animate or inanimate object, for the sexual gratification of the parent or guardian, or for the sexual gratification of another person with the actual or implied consent of, and for the financial gain or other advantage of, the parent or guardian.

A finding of the infliction of severe physical harm, for the purposes

of this subdivision, may be based on, but is not limited to, deliberate and serious injury inflicted to or on a child's body by an act or omission of the parent or guardian, or of another individual or animal with the consent of the parent or guardian; deliberate and torturous confinement of the child in a closed space; or any other torturous act or omission which would be reasonably understood to cause serious emotional damage.

(c) In deciding whether to order reunification in any case in which this section applies, the court shall hold a dispositional hearing. The probation officer shall prepare a report which discusses whether reunification services shall be provided. When it is alleged, pursuant to paragraph (2) of subdivision (b), that the parent is incapable of utilizing services due to mental disability, the court shall order reunification services unless competent evidence from mental health professionals establishes that, even with the provision of services, the parent is unlikely to be capable of adequately caring for the child within 12 months.

When paragraph (3), (4), or (5), inclusive, of subdivision (b) is applicable, the court shall not order reunification unless it finds that, based on competent testimony, those services are likely to prevent reabuse or continued neglect of the child or that failure to try reunification will be detrimental to the child because the child is closely and positively attached to that parent. The probation officer shall investigate the circumstances leading to the removal of the minor and advise the court whether there are circumstances which indicate that reunification is likely to be successful or unsuccessful and whether failure to order reunification is likely to be detrimental to the child.

The failure of the parent to respond to previous services, the fact that the child was abused while the parent was under the influence of drugs or alcohol, a past history of violent behavior, or testimony by a competent professional that the parent's behavior is unlikely to be changed by services are among the factors indicating that reunification services are unlikely to be successful. The fact that a parent or guardian is no longer living with an individual who severely abused the minor may be considered in deciding that reunification services are likely to be successful, provided that the court shall consider any pattern of behavior on the part of the parent that has exposed the child to repeated abuse.

(d) If reunification services are not ordered pursuant to paragraph (1) of subdivision (b) and the whereabouts of a parent become known within six months of the out-of-home placement of the minor, the court shall order the probation officer to provide family reunification services in accordance with this subdivision. However, the time limits specified in subdivision (a) and Section 366.25 are not tolled by the parent's absence.

(e) (1) If the parent or guardian is incarcerated or institutionalized, the court shall order reasonable services unless the court determines those services would be detrimental to the minor.

In determining detriment, the court shall consider the age of the child, the degree of parent-child bonding, the length of the sentence, the nature of the treatment, the nature of crime or illness, the degree of detriment to the child if services are not offered and, for minors 10 years of age or older, the minor's attitude toward the implementation of family reunification services, and any other appropriate factors. Reunification services are subject to the 18-month limitation imposed in subdivision (a). Services may include, but shall not be limited to, all of the following:

(A) Maintaining contact between parent and child through collect phone calls.

(B) Transportation services, where appropriate.

(C) Visitation services, where appropriate.

(D) Reasonable services to extended family members or foster parents providing care for the child if the services are not detrimental to the child.

An incarcerated parent may be required to attend counseling, parenting classes, or vocational training programs as part of the service plan if these programs are available.

(2) The presiding judge of the juvenile court of each county may convene representatives of the county welfare department, the sheriff's department, and other appropriate entities for the purpose of developing and entering into protocols for ensuring the notification, transportation, and presence of an incarcerated or institutionalized parent at all court hearings involving proceedings affecting the minor pursuant to Section 2625 of the Penal Code.

(3) Notwithstanding any other provision of law, if the incarcerated parent is a woman seeking to participate in the community treatment program operated by the Department of Corrections pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, the court shall determine whether the parent's participation in a program is in the child's best interest and whether it is suitable to meet the needs of the parent and child.

(f) If a court, pursuant to paragraph (2), (3), (4), (5), or (6) of subdivision (b), does not order reunification services, it shall conduct a hearing pursuant to Section 366.25 or 366.26 within 120 days of the dispositional hearing. However, the court shall not schedule a hearing so long as the other parent is being provided reunification services pursuant to subdivision (a). The court may continue to permit the parent to visit the minor unless it finds that visitation would be detrimental to the minor.

(g) Whenever a court orders that a hearing shall be held pursuant to Section 366.25 or 366.26 it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties which are not served by a county adoption agency, to prepare an assessment which shall include:

(1) Current search efforts for an absent parent or parents.

(2) A review of the amount of and nature of any contact between the minor and his or her parents since the time of placement.

(3) An evaluation of the minor's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the minor's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship.

(5) The relationship of the minor to any identified prospective adoptive parent or guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the minor, if the minor is 10 years of age or older, concerning placement and the adoption or guardianship.

(6) An analysis of the likelihood that the minor will be adopted if parental rights are terminated.

(h) In determining whether reunification services will benefit the child pursuant to paragraph (6) of subdivision (b), the court shall consider any information it deems relevant, including the following factors:

(1) The specific act or omission comprising the severe sexual abuse or the severe physical harm inflicted on the child.

(2) The circumstances under which the abuse or harm was inflicted on the child.

(3) The severity of the emotional trauma suffered by the child.

(4) Any history of abuse of other children by the offending parent or guardian.

(5) The likelihood that the child may be safely returned to the care of the offending parent or guardian within 18 months with no continuing supervision.

(6) Whether or not the child desires to be reunified with the offending parent or guardian.

(i) The court shall read into the record the basis for a finding of severe sexual abuse or the infliction of severe physical harm under paragraph (6) of subdivision (b), and shall also specify the factual findings used to determine that the provision of reunification services to the offending parent or guardian would not benefit the child.

SEC. 226.5. Section 362.4 of the Welfare and Institutions Code is amended to read:

362.4. When the juvenile court terminates its jurisdiction over a minor who has been adjudged a dependent child of the juvenile court prior to the minor's attainment of the age of 18 years, and proceedings for dissolution of marriage, for nullity of marriage, or for legal separation, of the minor's parents, or proceedings to establish the paternity of the minor child brought under the Uniform Parentage Act, Part 3 (commencing with Section 7600) of Division

12 of the Family Code, are pending in the superior court of any county, or an order has been entered with regard to the custody of that minor, the juvenile court on its own motion, may issue a protective order, as defined in Section 6218, directed to either of the parents and an order determining the custody of, or visitation with, the child.

Any order issued pursuant to this section shall continue until modified or terminated by a subsequent order of the superior court. The order of the juvenile court shall be filed in the proceeding for nullity, dissolution, or legal separation, or in the proceeding to establish paternity, at the time the juvenile court terminates its jurisdiction over the minor, and shall become a part thereof.

If no action is filed or pending relating to the custody of the minor in the superior court of any county, the juvenile court order may be used as the sole basis for opening a file in the superior court of the county in which the parent, who has been given custody, resides. The court may direct the parent or the clerk of the juvenile court to transmit the order to the clerk of the superior court of the county in which the order is to be filed. The clerk of the superior court shall, immediately upon receipt, open a file, without a filing fee, and assign a case number.

The clerk of the superior court shall, upon the filing of any juvenile court custody order, send by first-class mail a copy of the order with the case number to the juvenile court and to the parents at the address listed on the order.

The Judicial Council shall adopt forms for any custody or restraining order issued under this section. These form orders shall not be confidential.

SEC. 227. Section 366.2 of the Welfare and Institutions Code is amended to read:

366.2. (a) Every hearing conducted by the juvenile court reviewing the status of a dependent child shall be placed on the appearance calendar. The court shall advise all persons present at the hearing of the date of the future hearing, of their right to be present and represented by counsel.

(b) Except as provided in Section 366.3, notice of the hearing shall be mailed by the probation officer to the same persons as in the original proceeding, to the minor's parent or guardian, to the foster parents, community care facility, or foster family agency having physical custody of the minor in the case of a minor removed from the physical custody of his or her parent or guardian, and to the counsel of record if the counsel of record was not present at the time that the hearing was set by the court, by first-class mail addressed to the last known address of the person to be notified, or shall be personally served on those persons, not earlier than 30 days nor later than 15 days preceding the date to which the hearing was continued. Service of a copy of the notice personally or by certified mail return receipt requested, or any other form of actual notice is equivalent to service by first-class mail.

(c) At least 10 calendar days prior to the hearing the probation officer shall file a supplemental report with the court regarding the services offered to the family, the progress made, and, where relevant, the prognosis for return of the minor to the physical custody of his or her parent or guardian, and make his or her recommendation for disposition. The probation officer shall provide the parent or parents with a copy of the report, including his or her recommendation for disposition, at least 10 calendar days prior to the hearing. In the case of a minor removed from the physical custody of his or her parent or guardian, the probation officer shall provide a summary of his or her recommendation for disposition to the counsel for the minor, any court appointed child advocate, foster parents, community care facility, or foster family agency having the physical custody of the minor at least 10 calendar days before the hearing.

(d) Prior to any hearing involving a minor in the physical custody of a community care facility or foster family agency that may result in the return of the minor to the physical custody of his or her parent or guardian, or in adoption or the creation of a legal guardianship, the facility or agency shall file with the court a report containing its recommendation for disposition. Prior to any such hearing involving a minor in the physical custody of a foster parent, the foster parent may file with the court a report containing its recommendation for disposition. The court shall consider any such report and recommendation prior to determining any disposition.

(e) The court shall proceed as follows at the review hearing: The court shall order the return of the minor to the physical custody of his or her parents or guardians unless, by a preponderance of the evidence, it finds that the return of the child would create a substantial risk of detriment to the physical or emotional well-being of the minor. The probation department shall have the burden of establishing that detriment. The failure of the parent or guardian to participate regularly in any court-ordered treatment programs shall constitute prima facie evidence that return would be detrimental. In making its determination, the court shall review the probation officer's report and shall consider the efforts or progress, or both, demonstrated by the parent or guardian and the extent to which he or she cooperated and availed himself or herself of services provided; shall make appropriate findings; and where relevant, shall order any additional services reasonably believed to facilitate the return of the minor to the custody of his or her parent or guardian. The court shall also inform the parent or guardian that if the minor cannot be returned home by the next review hearing, a proceeding pursuant to Part 4 (commencing with Section 7800) of Division 12 of the Family Code may be instituted. This section does not apply in a case where, pursuant to Section 361.5, the court has ordered that reunification services shall not be provided.

(f) This section shall apply only to minors made dependents of the court pursuant to subdivision (c) of Section 360 prior to January 1,

1989.

SEC. 228. Section 903 of the Welfare and Institutions Code is amended to read:

903. (a) A parent of a minor, the estate of a parent, and the estate of the minor, shall be liable for the reasonable costs of support of the minor while the minor is placed, or detained in, or committed to, any institution or other place pursuant to Section 625 or pursuant to an order of the juvenile court. However, a county shall not levy charges for the costs of support of a minor detained pursuant to Section 625 unless, at the detention hearing, the juvenile court determines that detention of the minor should be continued, the petition for the offense for which the minor is detained is subsequently sustained, or the minor agrees to a program of supervision pursuant to Section 654. The liability of these persons and estates shall be a joint and several liability.

(b) It shall be the responsibility of a county to demonstrate to any person against whom it seeks to enforce the liability established by this section, that the charges it seeks to impose are limited to the reasonable costs of support of the minor and that these charges exclude any costs of incarceration, treatment, or supervision for the protection of society and the minor and the rehabilitation of the minor. Nothing in this section shall preclude the district attorney from seeking reimbursement of those costs pursuant to Section 11350 of this code or Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 of the Family Code.

(c) It is the intent of the Legislature in enacting this subdivision to protect the fiscal integrity of the county, to protect persons against whom the county seeks to impose liability from excessive charges, to ensure reasonable uniformity throughout the state in the level of liability being imposed, and to ensure that liability is imposed only on persons with the ability to pay. In evaluating a family's financial ability to pay under this section, the county shall take into consideration the family income, the necessary obligations of the family, and the number of persons dependent upon this income. Except as provided in paragraphs (1), (2), and (3), "costs of support" as used in this section means only actual costs incurred by the county for food and food preparation, clothing, personal supplies, and medical expenses, not to exceed a combined maximum cost of fifteen dollars ($15) per day, except that:

(1) The maximum cost of fifteen dollars ($15) per day shall be adjusted every third year beginning January 1, 1988, to reflect the percentage change in the calendar year annual average of the California Consumer Price Index, All Urban Consumers, published by the Department of Industrial Relations, for the three-year period.

(2) No cost for medical expenses shall be imposed by the county until the county has first exhausted any eligibility the minor may have under private insurance coverage, standard or medically indigent Medi-Cal coverage, and the Robert W. Crown California Children's Services Act (Article 2 (commencing with Section 248) of

Chapter 2 of Part 1 of Division 1 of the Health and Safety Code).

(3) In calculating the cost of medical expenses, the county shall not charge in excess of 100 percent of the AFDC fee for service average Medi-Cal payment for that county for that fiscal year as calculated by the State Department of Health Services; however, if a minor has extraordinary medical or dental costs that are not met under any of the coverages listed in paragraph (2), the county may impose these additional costs.

SEC. 229. Section 11476.1 of the Welfare and Institutions Code is amended to read:

11476.1. (a) In any case where the district attorney has undertaken enforcement of support, the district attorney may enter into an agreement with the noncustodial parent, on behalf of a minor child or children, a spouse, or former spouse for the entry of a judgment without action determining paternity, if applicable, and for periodic child and spousal support payments based on the noncustodial parent's reasonable ability to pay or, if for spousal support, an amount previously ordered by a court of competent jurisdiction. An agreement for entry of a judgment under this section may be executed prior to the birth of the child and may include a provision that the judgment is not to be entered until after the birth of the child.

(b) A judgment based on the agreement shall be entered only if one of the following requirements is satisfied:

(1) The noncustodial parent is represented by legal counsel and the attorney signs a certificate stating: "I have examined the proposed judgment and have advised my client concerning his or her rights in connection with this matter and the consequences of signing or not signing the agreement for the entry of the judgment and my client, after being so advised, has agreed to the entry of the judgment."

(2) A judge of the court in which the judgment is to be entered, after advising the noncustodial parent concerning his or her rights in connection with the matter and the consequences of agreeing or not agreeing to the entry of the judgment, makes a finding that the noncustodial parent has appeared before the judge and the judge has determined that under the circumstances of the particular case the noncustodial parent has willingly, knowingly, and intelligently waived his or her due process rights in agreeing to the entry of the judgment.

(c) The clerk shall file the agreement, together with any certificate of the attorney or finding of the court, without the payment of any fees or charges. If the requirements of this section are satisfied, the court shall enter judgment thereon without action. The provisions of Article 4 (commencing with Section 4200) of Chapter 2 of Part 2 of Division 9 of the Family Code or Chapter 4 (commencing with Section 4350) of Part 3 of Division 9 of the Family Code shall apply to the judgment. A judgment for support so entered may be enforced by any means by which any other judgment for

support may be enforced.

(d) Upon request of the district attorney in any case under this section, the clerk shall set the matter for hearing by the court. The hearing shall be held within 10 days after the clerk receives the request. The district attorney may require the person who signed the agreement for the entry of judgment to attend the hearing by process of subpoena in the same manner as the attendance of a witness in a civil action may be required. The presence of the person who signed the agreement for entry of judgment at the hearing shall constitute the presence of the person in court at the time the order is pronounced for the purposes of Section 1209.5 of the Code of Civil Procedure if the court makes the findings required by paragraph (2) of subdivision (b).

(e) The district attorney shall cause the following to be served, in the manner specified in Section 415.10, 415.20, 415.30, or 415.40 of the Code of Civil Procedure, upon the person who signed the agreement for entry of the judgment and shall file proof of service thereof with the court:

(1) A copy of the judgment as entered.

(2) If the judgment includes an order for child or spousal support payments, a notice stating the substance of the following: "The court has continuing authority to make an order increasing or decreasing the amount of the child or spousal support payments. You have the right to request that the court order the child and spousal support payments be decreased or eliminated entirely."

(f) An order for child and spousal support included in a judgment entered under this section may be modified or revoked as provided in Article 1 (commencing with Section 3650) of Chapter 6 of Part 1 of Division 9 of the Family Code and in (1) Article 1 (commencing with Section 4000) of Chapter 2 of Part 2 of Division 9 of the Family Code or (2) Chapter 2 (commencing with Section 4320) and Chapter 3 (commencing with Section 4330) of Part 3 of Division 9 of the Family Code. The court may modify the order to make the support payments payable to a different person.

(g) For the purposes of this section, in making a determination of the noncustodial parent's reasonable ability to pay, any relevant circumstances set out in Section 4005 of the Family Code shall be considered.

(h) After arrest and before plea or trial, or after conviction or plea of guilty, under Section 270 of the Penal Code, if the defendant appears before the court in which the criminal action is pending and the requirements of paragraph (1) or (2) of subdivision (b) have been satisfied, the court may suspend proceedings or sentence in the criminal action, but this does not limit the later institution of a civil or criminal action or limit the use of any other procedures available to enforce the judgment entered pursuant to this section.

(i) Nothing in this section applies to a case where a civil action has been commenced.

SEC. 230. Section 11478 of the Welfare and Institutions Code is

amended to read:

11478. All state, county, and local agencies shall cooperate with the district attorney in carrying out Chapter 8 (commencing with Section 3130) of Part 2 of Division 8 of the Family Code and Section 270 of the Penal Code concerning the location, seizure, and recovery of abducted, concealed, or detained minor children, and in the enforcement of any child support obligation or to the extent required under the state plan under Section 11475.2 of this code and Chapter 6 (commencing with Section 4800) of Part 5 of Division 9 of the Family Code, spousal support orders and in the location of parents or putative parents, irrespective of whether the children are or are not receiving aid to families with dependent children, and shall, on request, supply the district attorney of any county in this state or the California Parent Locator Service with all information on hand relative to the location, income, or property of any parents, putative parents, spouses, or former spouses, notwithstanding any other provision of law making the information confidential, and with all information on hand relative to the location and prosecution of any person who has, by means of false statement or representation or by impersonation or other fraudulent device, obtained aid for a child under this chapter.

SEC. 231. Section 11478.1 of the Welfare and Institutions Code is amended to read:

11478.1. (a) It is the intent of the Legislature to protect individual rights of privacy, and to facilitate and enhance the effectiveness of the child and spousal support enforcement and child abduction and recovery programs, by ensuring the confidentiality of support enforcement and child abduction records, and to thereby encourage the full and frank disclosure of information relevant to all of the following:

(1) The establishment or maintenance of parent and child relationships and support obligations.

(2) The enforcement of the child support liability of absent parents.

(3) The enforcement of spousal support liability of the spouse or former spouse to the extent required by the state plan under Section 11475.2 of this code and Chapter 6 (commencing with Section 4800) of Part 5 of Division 9 of the Family Code.

(4) The location of absent parents.

(5) The location of parents and children abducted, concealed, or detained by them.

(b) Except as provided in subdivision (c), all files, applications, papers, documents, and records established or maintained by any public entity pursuant to the administration and implementation of the child and spousal support enforcement program established pursuant to Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code and this article, shall be confidential, and shall not be open to examination or released for disclosure for any purpose not directly connected with the

administration of the child and spousal support enforcement program. No public entity shall disclose any file, application, paper, document, or record, or the information contained therein, except as expressly authorized by this section.

(c) Disclosure of the information described in subdivision (b) is authorized as follows:

(1) All files, applications, papers, documents and records as described in subdivision (b) shall be available and may be used by a public entity for all administrative, civil, or criminal investigations, actions, proceedings, or prosecutions conducted in connection with the administration of the child and spousal support enforcement program approved under Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code, and any other plan or program described in Section 303.21 of Title 45 of the Code of Federal Regulations.

(2) A document requested by a person who wrote, prepared, or furnished the document may be examined by or disclosed to that person or his or her designee.

(3) The payment history of an obligor pursuant to a support order may be examined by or released to the court, the obligor, or the person on whose behalf enforcement actions are being taken or that person's designee.

(4) Public records subject to disclosure under the Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of the Government Code) may be released.

(5) After a noticed motion and a finding by the court, in a case in which enforcement actions are being taken, that release or disclosure to the obligor is required by due process of law, the court may order a public entity, which possesses an application, paper, document, or record as described in subdivision (b) to make that item available to the obligor for examination or copying, or to disclose to the obligor the contents of that item. Article 9 (commencing with Section 1040) of Chapter 4 of Division 3 of the Evidence Code shall not be applicable to proceedings under this part.

(6) To the extent not prohibited by federal law or regulation, information indicating the existence or imminent threat of a crime against a minor child, or location of a concealed, detained, or abducted child or the location of the concealing, detaining, or abducting person, may be disclosed to any district attorney, any appropriate law enforcement agency, or to any state or county child protective agency, or may be used in any judicial proceedings to prosecute that crime or to protect the child.

(7) The social security number, most recent address, and the place of employment of the absent parent may be released to an authorized person as defined in Section 653(c) of Title 42 of the United States Code, only if the authorized person has filed a request for the information, and only if the information has been provided to the California Parent Locator Service by the federal Parent Locator Service pursuant to Section 653 of Title 42 of the United

States Code.

(d) (1) "Administration and implementation of the child and spousal support enforcement program," as used in this section, means the carrying out of the state and local plans for establishing, modifying, and enforcing child support obligations, enforcing spousal support orders, and determining paternity pursuant to Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code and this article.

(2) For purposes of this section, "obligor" means any person owing a duty of support.

(3) As used in this chapter, "putative parent" shall refer to any person reasonably believed to be the parent of a child for whom the district attorney is attempting to establish paternity or establish, modify, or enforce support pursuant to Section 11475.1.

(e) Any person who willfully, knowingly, and intentionally violates this section is guilty of a misdemeanor.

(f) Nothing in this section shall be construed to compel the disclosure of information relating to a deserting parent who is a recipient of aid under a public assistance program for which federal aid is paid to this state, if that information is required to be kept confidential by the federal law or regulations relating to the program.

(g) Except as provided in this subdivision, all files, applications, papers, documents, and records, established or maintained by any public entity for the purpose of locating an abducted child, locating a person who has abducted a child, or prosecution of a person who has abducted a child shall be confidential, and shall not be open to examination or released for disclosure for any purpose not directly connected with locating the abducted child or abducting person or prosecution of the abducting person. No public entity shall disclose any file, application, paper, document, or record described in this section, or the information contained therein, except as as follows:

(1) All files, applications, papers, documents, and records as described in subdivision (b) shall be available and may be used by a public entity for all administrative, civil, or criminal investigations, actions, proceedings, or prosecution conducted in connection with the child abduction or prosecution of the abducting person.

(2) A document requested by a person who wrote, prepared, or furnished the document may be examined by or disclosed to that person or his or her designee.

(3) Public records subject to disclosure under the Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) may be released.

(4) After a noticed motion and a finding by the court, in a case in which enforcement actions are being taken, that release or disclosure is required by due process of law, the court may order a public entity that possesses an application, paper, document, or record described in this subdivision to make that item available to the obligor for examination or copying, or to disclose to an appropriate person the

contents of that item. Article 9 (commencing with Section 1040) of Chapter 4 of Division 8 of the Evidence Code shall not be applicable to proceedings under this part.

(5) To the extent not prohibited by federal law or regulation, information indicating the existence or imminent threat of a crime against a minor child, or location of a concealed or abducted child or the location of the concealing or abducting person, may be disclosed to any appropriate law enforcement agency, or to any state or county child protective agency, or may be used in any judicial proceedings to prosecute that crime or to protect the child.

SEC. 232. Section 11478.5 of the Welfare and Institutions Code is amended to read:

11478.5. (a) There is in the Department of Justice the California Parent Locator Service and Central Registry which shall collect and disseminate all of the following, with respect to any parent, putative parent, spouse, or former spouse:

(1) The full and true name of the parent together with any known aliases.

(2) Date and place of birth.

(3) Physical description.

(4) Social security number.

(5) Employment history and earnings.

(6) Military status and Veterans Administration or military service serial number.

(7) Last known address, telephone number, and date thereof.

(8) Driver's license number, driving record, and vehicle registration information.

(9) Criminal, licensing, and applicant records and information.

(10) (A) Any additional location, asset, and income information, including income tax return information obtained pursuant to Section 19285.1 of the Revenue and Taxation Code, and the address, telephone number, and social security information obtained from a public utility that may be of assistance in locating the parent, putative parent, abducting, concealing, or detaining parent, spouse, or former spouse, in establishing a parent and child relationship, in enforcing the child support liability of the absent parent, or enforcing the spousal support liability of the spouse or former spouse to the extent required by the state plan pursuant to Section 11475.2.

(B) For purposes of this subdivision "income tax return information" means all of the following regarding the taxpayer:

(i) Assets.

(ii) Credits.

(iii) Deductions.

(iv) Exemptions.

(v) Identity.

(vi) Liabilities.

(vii) Nature, source, and amount of income.

(viii) Net worth.

(ix) Payments.

(x) Receipts.
(xi) Address.
(xii) Social security number.

(b) To effectuate the purposes of this section, the California Parent Locator Service and Central Registry shall, to the extent necessary, utilize the federal Parent Locator Service, and may request and shall receive, from all departments, boards, bureaus, or other agencies of the state, or any of its political subdivisions, and those entities shall provide, that assistance and data which will enable the Department of Justice and public agencies to carry out their powers and duties to locate the parents, spouses, and former spouses, and to identify their assets, to establish a parent and child relationship, and to enforce their liability for child or spousal support, and for any other obligations incurred on behalf of their children, and to any district attorney in fulfilling the duties prescribed in Chapter 8 (commencing with Section 3130) of Part 2 of Division 8 of the Family Code and Section 270 of the Penal Code, relating to abducted, concealed, or detained children.

(c) (1) To effectuate the purposes of this section, and notwithstanding any other provision of California law, regulation, or tariff, and to the extent permitted by federal law, the California Parent Locator Service and Central Registry may request and shall receive from public utilities, as defined in Section 216 of the Public Utilities Code, customer service information, including the full name, address, telephone number, date of birth, and social security number of customers of the public utility, to the extent that this information is stored within the computer data base of the public utility.

(2) In order to protect the privacy of utility customers, a request to a public utility for customer service information pursuant to this section shall meet the following requirements:

(A) Be submitted to the public utility in writing, on a transmittal document prepared by the California Parent Locator Service and Central Registry and approved by all of the public utilities.

(B) Have the signature of a representative authorized by the California Parent Locator Service and Central Registry.

(C) Contain at least three of the following data elements regarding the person sought:

(i) First and last name, and middle initial, if known.
(ii) Social security number.
(iii) Driver's license number.
(iv) Birth date.
(v) Last known address.
(vi) Spouse's name.

(D) The California Parent Locator Service and Central Registry shall ensure that each public utility has at all times a current list of the names of persons authorized to request customer service information.

(E) The California Parent Locator Service and Central Registry

shall ensure that customer service information supplied by a public utility is applicable to the person who is being sought before releasing the information pursuant to subdivision (d).

(3) The public utility may charge a fee to the California Parent Locator Service and Central Registry for each search performed pursuant to this subdivision to cover the actual costs to the public utility for providing this information.

(4) No public utility, or official or employee thereof, shall be subject to criminal or civil liability for the release of customer service information as authorized by this subdivision.

(d) Notwithstanding Section 14202 of the Penal Code, any records established pursuant to this section shall be disseminated only to the Department of Justice, the Central Registry of this state and other states as defined by federal law and regulations, a district attorney of any county in this state, locator services of other states as defined by federal law and regulations, and the federal Parent Locator Service and official child support enforcement agencies.

(e) (1) At no time shall any information received by the California Parent Locator Service and Central Registry be disclosed to any person, agency, or other entity, other than those persons, agencies, and entities specified pursuant to Section 11478, this section, or any other provision of law.

(2) This subdivision shall not otherwise affect discovery between parties in any action to establish, modify, or enforce child, family, or spousal support, that relates to custody or visitation.

(f) (1) The Department of Justice, in consultation with the State Department of Social Services, shall promulgate rules and regulations to facilitate maximum and efficient use of the California Parent Locator Service and Central Registry.

(2) The Department of Justice, in consultation with the State Department of Social Services and the Public Utilities Commission, shall develop procedures for obtaining the information described in subdivision (c) from public utilities, and for compensating the public utilities for providing that information.

(g) The State Department of Social Services and the Department of Justice shall implement the provisions of this section regarding public utilities, as defined by Section 216 of the Public Utilities Code, only where there is a reasonable likelihood that the cost of obtaining customer service information from public utilities pursuant to this section would be less than the additional collections obtained through use of that information.

(h) The California Parent Locator Service and Central Registry may charge a fee not to exceed eighteen dollars ($18) for any service it provides pursuant to this section that is not performed or funded pursuant to Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code.

(i) This section shall be construed in a manner consistent with the other provisions of this article.

SEC. 233. Section 12300 of the Welfare and Institutions Code is

amended to read:

12300. (a) The purpose of this article is to provide in every county in a manner consistent with this chapter and the annual Budget Act those supportive services identified in this section to aged, blind, or disabled persons, as defined under this chapter, who are unable to perform the services themselves and who cannot safely remain in their homes or abodes of their own choosing unless these services are provided.

(b) Supportive services shall include domestic services and services related to domestic services, heavy cleaning, personal care services, accompaniment by a provider when needed during necessary travel to health-related appointments or to alternative resource sites, yard hazard abatement, protective supervision, teaching and demonstration directed at reducing the need for other supportive services, and paramedical services which make it possible for the recipient to establish and maintain an independent living arrangement.

(c) Personal care services shall mean all of the following:

(1) Assistance with ambulation.

(2) Bathing, oral hygiene, and grooming.

(3) Dressing.

(4) Care and assistance with prosthetic devices.

(5) Bowel, bladder, and menstrual care.

(6) Repositioning, skin care, range of motion exercises, and transfers.

(7) Feeding and assurance of adequate fluid intake.

(8) Respiration.

(9) Assistance with self-administration of medications.

(d) Where supportive services are provided by a person having the legal duty pursuant to the Family Code to provide for the care of his or her child who is the recipient, the provider of supportive services shall receive remuneration for the services only when the provider leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of the provider to provide supportive services may result in inappropriate placement or inadequate care.

These providers shall be paid only for the following:

(1) Services related to domestic services.

(2) Personal care services.

(3) Accompaniment by a provider when needed during necessary travel to health-related appointments or to alternative resource sites.

(4) Protective supervision only as needed because of the functional limitations of the child.

(5) Paramedical services.

(e) To encourage maximum voluntary services, so as to reduce governmental costs, respite care shall also be provided. Respite care is temporary or periodic service for eligible recipients to relieve persons who are providing care without compensation.

(f) A person who is eligible to receive a personal care service provided pursuant to Section 14132.95 shall not be eligible to receive that personal care service pursuant to this article.

(g) A service provided pursuant to this article shall be equal to the level of the same service provided pursuant to Section 14132.95, including any adjustments that may be made to that service pursuant to subdivision (e) of Section 14132.95.

SEC. 234. Section 16120 of the Welfare and Institutions Code is amended to read:

16120. Adoption Assistance Program benefits shall be provided only on behalf of special needs children for whom all of the following conditions are met:

(a) The department or the county responsible for determining the child's Adoption Assistance Program eligibility status and for providing financial aid and the prospective adoptive parent have signed an adoption assistance agreement which stipulates the need for and the amount of Adoption Assistance Program benefits. The adoption assistance agreement shall, at a minimum, specify the duration of assistance, the responsibility of the adopting family for reporting changes in circumstances, and the periodic recertification required for reevaluating the continuing needs of the family.

(b) The child is under 18 years of age, or under 21 years of age and has a mental or physical handicap which warrants the continuation of assistance.

(c) The adoptive family is responsible for the child pursuant to the terms of an adoptive placement agreement or a final decree of adoption and have signed an adoption assistance agreement.

(d) The adoptive family is legally responsible for the support of the child and the child is receiving support from the adoptive parent.

(e) The child has been either relinquished for adoption to a California agency or freed for adoption through termination of parental rights by a California court, or committed to the department pursuant to Section 8805 or 8918 of the Family Code.

SEC. 235. Any section of any act enacted by the Legislature during the 1993 calendar year, which takes effect on or before January 1, 1994, and which amends, amends and renumbers, repeals and adds, or repeals Section 12021, 12028.5, 12031, 12070, 12076, or 12078 of the Penal Code, shall prevail over the amendment of that section by this act, whether that act is chaptered before or after this act.

SEC. 236. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless

otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 220

An act to amend Section 977 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 977 of the Penal Code is amended to read:

977. (a) (1) In all cases in which the accused is charged with a misdemeanor only, he or she may appear by counsel only, except as provided in paragraph (2). If the accused agrees, the initial court appearance, arraignment, and plea may be by video, as provided by subdivision (c).

(2) When the accused is charged with a misdemeanor offense involving domestic violence, as defined in Section 542 of the Code of Civil Procedure, or a misdemeanor violation of Section 273.6, upon a satisfactory showing of necessity, the court may order through counsel that the accused be personally present in court for the purpose of the service of an order under Section 136.2, unless the court determines that the defendant will make another court appearance within a reasonable period of time and the defendant could be served with a restraining order at that time.

(b) (1) In all cases in which a felony is charged, the accused shall be present at the arraignment, at the time of plea, during the preliminary hearing, during those portions of the trial when evidence is taken before the trier of fact, and at the time of the imposition of sentence. The accused shall be personally present at all other proceedings unless he or she shall, with leave of court, execute in open court, a written waiver of his or her right to be personally present, as provided by paragraph (2). If the accused agrees, the initial court appearance, arraignment, and plea may be by video, as provided by subdivision (c).

(2) The accused may execute a written waiver of his or her right to be personally present, approved by his or her counsel, and the waiver shall be filed with the court. However, the court may specifically direct the defendant to be personally present at any particular proceeding or portion thereof. The waiver shall be substantially in the following form:

"WAIVER OF DEFENDANT'S PERSONAL PRESENCE"

"The undersigned defendant, having been advised of his or her right to be present at all stages of the proceedings, including, but not limited to, presentation of and arguments on questions of fact and law, and to be confronted by and cross-examine all witnesses, hereby waives the right to be present at the hearing of any motion or other proceeding in this cause. The undersigned defendant hereby requests the court to proceed during every absence of the defendant that the court may permit pursuant to this waiver, and hereby agrees that his or her interest is represented at all times by the presence of his or her attorney the same as if the defendant were personally present in court, and further agrees that notice to his or her attorney that his or her presence in court on a particular day at a particular time is required is notice to the defendant of the requirement of his or her appearance at that time and place."

(c) The court may permit the initial court appearance and arraignment in municipal or superior court of defendants held in any state, county, or local facility within the county on felony or misdemeanor charges, except for those defendants who were indicted by a grand jury, to be conducted by two-way electronic audiovideo communication between the defendant and the courtroom in lieu of the physical presence of the defendant in the courtroom. If the defendant is represented by counsel, the attorney shall be present with the defendant at the initial court appearance and arraignment, and may enter a plea during the arraignment. However, if the defendant is represented by counsel at an initial hearing in superior court, and if the defendant does not plead guilty or nolo contendere to any charge, the attorney shall be present with the defendant or if the attorney is not present with the defendant, the attorney shall be present in court during the hearing. The defendant shall have the right to make his or her plea while physically present in the courtroom if he or she so requests. If the defendant decides not to exercise the right to be physically present in the courtroom, he or she shall execute a written waiver of that right. A judge may order a defendant's personal appearance in court for the initial court appearance and arraignment. In a misdemeanor case, a judge may, pursuant to this subdivision, accept a plea of guilty or no contest from a defendant who is not physically in the courtroom. In a felony case, a judge may, pursuant to this subdivision, accept a plea of guilty or no contest from a defendant who is not physically in the courtroom if the parties stipulate thereto.

(d) Notwithstanding subdivision (c), if the defendant is represented by counsel, the attorney shall be present with the defendant in any county exceeding 4,000,000 persons in population.

CHAPTER 221

An act to amend Sections 1000.6, 1000.7, 1000.8, 1000.9, and 1001.15 of, to amend and renumber Sections 1000.10 and 1000.11 of, and to add Sections 1000.93, 1000.94, 1000.95, and 1000.96 to, the Penal Code, relating to domestic violence diversion.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 1000.6 of the Penal Code is amended to read:

1000.6. (a) Upon the determination of the judge presiding, this chapter shall apply whenever a case is before the court upon an accusatory pleading for an act of domestic violence which is charged as, or reduced to, a misdemeanor and all of the following apply to the defendant:

(1) The defendant has no conviction for any offense involving violence within 10 years prior to the alleged commission of the charged divertible offense.

(2) The defendant's record does not indicate that probation or parole has ever been revoked without thereafter being completed.

(3) The defendant has not been diverted pursuant to this chapter within 10 years prior to the charged divertible offense.

Notwithstanding the foregoing, this chapter is not applicable to a person who is charged with a violation of subdivision (a) of Section 245 or Section 273.5.

(b) The prosecuting attorney shall, and the defense attorney may, review the defendant's file to determine whether or not paragraphs (1) to (3), inclusive, of subdivision (a) are applicable to the defendant. If the defendant is found eligible, the prosecuting attorney shall notify the court, the defendant, and the defense attorney, and the defense attorney may move that the defendant be diverted pursuant to this chapter. If the defendant is found by the prosecuting attorney to be ineligible for diversion, the prosecuting attorney shall file with the court a declaration in writing or state for the record the grounds upon which the determination is based, and shall make this information available to the defendant and the defendant's attorney.

(c) No admission of guilt shall be required of a defendant in order for this chapter to be applicable.

(d) As used in this chapter "domestic violence" means intentionally or recklessly causing or attempting to cause bodily injury to a family or household member or placing a family or household member in reasonable apprehension of imminent serious bodily injury to himself or herself or another.

(e) As used in this chapter "family or household member" means

a spouse, former spouse, parent, any other person related by consanguinity, or any person who regularly resides or who within the previous six months regularly resided in the household. "Family or household member" does not include a child.

SEC. 2. Section 1000.7 of the Penal Code is amended to read:

1000.7. (a) If the prosecuting attorney determines that this chapter may be applicable to the defendant, he or she shall advise the defendant and the defendant's attorney in writing of that determination. This notification shall include:

(1) A full description of the procedures of diversionary investigation.

(2) A general explanation of the roles and authorities of the court, the prosecuting attorney, the probation department, and the community program in the diversion process.

(3) A clear statement that the court may decide in a hearing not to divert the person and that the defendant may have to stand trial for the alleged offense.

(4) A clear statement that, for the period of diversion, the defendant may be enjoined from contacting, and shall be enjoined from annoying, molesting, attacking, striking, threatening, harassing, stalking, sexually assaulting, battering, or disturbing the peace of, the victim.

(5) A clear statement that should the person fail in meeting the terms of his or her diversion, or should he or she be convicted of any offense involving violence, the defendant may be required, after a court hearing, to stand trial for the original alleged offense.

(6) An explanation of criminal record retention and disposition resulting from participation in the diversion and the divertee's rights relative to answering questions about his or her arrest and diversion following successful completion of the diversion program.

(b) If the defendant consents and waives his or her right to a speedy trial the court shall refer the case to the probation department. The probation department shall make an investigation and take into consideration the defendant's age, medical history, employment and service records, educational background, community and family ties, prior incidents of violence, police report, treatment history, if any, demonstrable motivation, and other mitigating factors in determining whether the defendant is a person who would be benefited by education, treatment, or rehabilitation. This information shall be provided to the program if it is requested. To qualify for diversion, the defendant shall exhibit sufficient motivation to comply with the diversion requirements, including the defendant's agreement to attend counseling, refrain from any incidents of domestic violence, keep all program appointments, and pay program fees based upon the ability to pay. The probation department shall also determine which community programs the defendant would benefit from and which of those programs would accept the defendant. The probation department shall report its findings and recommendation to the court. If the probation

department concludes that the defendant fails to meet the standards set forth in this section, the basis for that conclusion shall be included in the report.

(c) The court shall advise the defendant that the failure to report to the probation department for the initial investigation, as directed by the court, or the failure to enroll in a specified program, as directed by the court or the probation department, shall result in no rereferral to diversion. The court, in the interests of justice, may relieve the defendant from the prohibition set forth in this subdivision based upon the defendant's mistake or excusable neglect. Application for this relief shall be filed within 20 court days of the missed deadline. This time limitation may not be extended. A copy of any application for relief shall be served on the office of the prosecuting attorney.

SEC. 3. 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 a batterer's program 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, including, but not limited to, incidents documented in police reports and medical records, if available, and any factors which would adversely influence the likelihood of successful completion of the diversion program. The court also may consider any information provided by the victim. 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 the batterer's program the court shall order the defendant to pay for all or part of the batterer's program.

(b) On or before January 1, 1995, nothing in this section shall prohibit the placement of a defendant in another appropriate counseling program approved by the probation department if the court determines that there is no batterer's program currently available. In addition to the above placements, nothing in this section shall prohibit a court from also requiring a defendant to obtain education, treatment, or rehabilitation for a substance abuse problem if the court determines it is a factor in the alleged domestic violence.

(c) The court shall order the defendant to perform a specified amount of appropriate community service, as designated by the court. The defendant shall present the court with proof of

completion of community service and the court shall determine if the community service has been satisfactorily completed. If sufficient staff and resources are available, the community service shall be performed under the jurisdiction of the local agency overseeing a community service program.

(d) At the 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 the defendant shall be exonerated, and the court shall enter an order so directing. During the period of diversion, the case shall be held in abeyance until the period of diversion is terminated. During this period, the defendant shall be deemed for all purposes to have no conviction.

(e) The period during which further criminal proceedings against a person may be diverted pursuant to this chapter shall be for no less than one year 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 the matter shall be final and shall not constitute an appealable order.

(f) The prosecuting attorney shall attempt to notify the victim in the diverted case when diversion is requested.

SEC. 4. Section 1000.9 of the Penal Code is amended to read:

1000.9. If it appears to the prosecuting attorney, the court, or the probation department that a defendant under this chapter is performing unsatisfactorily in the assigned program, is not benefiting from counseling, or has engaged in criminal conduct rendering the defendant unsuitable for diversion, after notice to the defendant by way of a motion to terminate diversion, and upon request of the probation officer, the prosecuting attorney, or on its own motion, the court, as a priority calendar item, shall hold a hearing to determine whether the criminal proceedings should be reinstituted. The court may decide unsuitability on factors, including, but not limited to, any violence by the defendant against the former or a new victim while on diversion and noncompliance with any other specific conditions of diversion. If the court finds that the defendant is not performing satisfactorily in the assigned program, is not benefiting from diversion, or has engaged in criminal conduct rendering the defendant unsuitable for diversion, the criminal case shall be referred back to the court for resumption of the criminal proceedings. If the defendant has performed satisfactorily during the period of diversion, at the end of the period of diversion, a hearing shall be held and the criminal charges shall be dismissed. Prior to terminating diversion, the court shall consider whether the defendant has paid the probation department the administrative fee and has met the financial obligations for attending the program that are based upon the defendant's ability to pay.

SEC. 5. Section 1000.10 of the Penal Code is amended and renumbered to read:

1000.91. Any records filed with the Department of Justice shall indicate the disposition in those cases diverted pursuant to this

chapter. Upon successful completion of a diversion program the arrest upon which the diversion was based shall be deemed to have never occurred. The defendant may indicate in response to any question concerning his or her prior criminal record that he or she was not arrested or diverted for the offense. A record pertaining to an arrest resulting in successful completion of a diversion program shall not, without the divertee's consent, be used in any way which could result in the denial of any employment, benefit, license, or certificate.

SEC. 6. Section 1000.11 of the Penal Code is amended and renumbered to read:

1000.92. No statement, or any information procured therefrom, with respect to the specific offense with which the defendant is charged, which is made to any probation officer or community program worker during the process of determining the defendant's eligibility for diversion or subsequent to the granting of diversion, shall be admissible in any action or proceeding.

SEC. 7. Section 1000.93 is added to the Penal Code, to read:

1000.93. (a) Effective July 1, 1994, the probation department shall refer defendants only to batterer's programs that follow standards outlined in subdivision (b), which may include, but are not limited to, lectures, classes, group discussion, and counseling. The probation department shall design and implement an approval and renewal process for batterer's programs and shall solicit input from criminal justice agencies and domestic violence victim advocacy programs.

(b) The goal of a batterer's program under this chapter shall be to stop the domestic violence. A batterer's program shall consist of the following components:

(1) Strategies to hold the defendant accountable for the violence in a relationship, including, but not limited to, providing the defendant with a written statement that the defendant shall be held accountable for acts or threats of domestic violence.

(2) A requirement that the defendant participate in ongoing same-gender group sessions.

(3) An initial intake that provides written definitions to the defendant of physical, emotional, sexual, economic, and verbal abuse, and the techniques for stopping these types of abuse.

(4) Procedures to inform the victim regarding the requirements for the defendant's participation in the intervention program as well as regarding available victim resources. The victim also shall be informed that attendance in any program does not guarantee that an abuser will not be violent.

(5) A requirement that the defendant attend group sessions free of chemical influence.

(6) Educational programming that examines, at a minimum, gender roles, socialization, the nature of violence, the dynamics of power and control, and the effects of abuse on children and others.

(7) A requirement that excludes any couple counseling or family

counseling, or both.

(8) Procedures that give the program the right to assess whether or not the defendant would benefit from the program and refuse to enroll the defendant if it is determined the defendant would not benefit from the program, so long as the refusal is not because of the defendant's inability to pay. If possible, the program shall suggest an appropriate alternative program.

(9) Program staff who, to the extent possible, have specific knowledge regarding, but not limited to, spousal abuse, child abuse, sexual abuse, substance abuse issues, the dynamics of violence and abuse, the law, and procedures of the legal system.

(10) Program staff who are encouraged to utilize the expertise, training, and assistance of local domestic violence centers.

(11) A requirement that the defendant enter into a written agreement with the program that shall include an outline of the contents of the program, the attendance requirements, the requirement to attend group sessions free of chemical influence, and a statement that the defendant can be removed from the program if it is determined that the defendant is not benefiting from the program or is disruptive to the program.

(12) A requirement that the defendant sign a confidentiality statement prohibiting disclosure of any information obtained through participating in the program or during group sessions regarding other participants in the program.

(13) Program content that provides cultural and ethnic sensitivity.

(14) A requirement of a written referral from the court or probation department prior to permitting the defendant to enroll in the program. The written referral shall state the number of minimum sessions required by the court.

(15) Procedures for submitting to the probation department the following uniform written responses:

(A) Proof of enrollment, to be submitted to the court and the probation department and to include the fee determined to be charged to the defendant, based upon the ability to pay, for each session.

(B) Periodic progress reports, that include attendance, fee payment history, and program compliance.

(C) Final evaluation, that includes the program's evaluation of the defendant's progress, using the criteria set forth in subdivision (e) of Section 1000.95 and recommendation for either successful or unsuccessful termination or the continuation of the program.

(16) A sliding fee schedule based on the defendant's ability to pay. The batterer's program shall develop and utilize a sliding fee scale that recognizes both the defendant's ability to pay and the necessity of programs to meet overhead expenses. An indigent defendant may negotiate a deferred payment schedule, but shall pay a nominal fee, if the defendant has the ability to pay the nominal fee. Upon a hearing and a finding by the court that the defendant does not have

the financial ability to pay the nominal fee, the court shall waive this fee. The payment of the fee shall be made a condition of diversion if the court determines the defendant has the present ability to pay the fee. The fee shall be paid during the term of diversion unless the program sets other conditions. The acceptance policies shall be in accordance with the scaled fee system.

(c) The court shall refer persons only to batterer programs that have been approved by the probation department pursuant to Section 1000.94. The probation department shall do each of the following:

(1) Provide for the issuance of a provisional approval, provided the applicant is in substantial compliance with applicable laws and regulations and an urgent need for approval exists. A provisional approval shall be considered an authorization to provide services and shall not be considered a vested right.

(2) If the probation department determines that a program is not in compliance with standards set forth by the department, the department shall provide written notice of the noncompliant areas to the program. The program shall submit a written plan of corrections within 14 days from the date of the written notice on noncompliance. A plan of correction shall include, but not be limited to, a description of each corrective action and timeframe for implementation. The department shall review and approve all or any part of the plan of correction and notify the program of approval or disapproval in writing. If the program fails to submit a plan of correction or fails to implement the approved plan of correction, the department shall consider whether to revoke or suspend approval and, upon revoking or suspending approval, shall have the option to cease referrals of defendants under this chapter.

(d) No program, regardless of its source of funding, shall be approved unless it meets the following standards:

(1) The establishment of guidelines and criteria for education services, including standards of services that may include lectures, classes, and group discussions.

(2) Supervision of the defendants for the purpose of evaluating the person's progress in the program.

(3) Adequate reporting requirements to ensure that all persons who, after being ordered to attend and complete a program, may be identified for either failure to enroll in, or failure to successfully complete, the program or for the successful completion of the program as ordered. The program shall notify the court and the probation department in writing within the period of time and in the manner specified by the court of any person who fails to complete the program. Notification shall be given if the program determines that the defendant *is performing unsatisfactorily or if the defendant* is not benefiting from the education, treatment, or counseling.

(4) No victim shall be compelled to participate in a program or counseling and no program may condition a defendant's enrollment on participation by the victim.

(e) In making referrals of indigent defendants to approved batterer programs, the probation department shall apportion these referrals evenly among the approved programs.

SEC. 8. Section 1000.94 is added to the Penal Code, to read:

1000.94. (a) The probation department shall have the sole authority to approve a batterer's program for diversion. The program shall be required to obtain only one approval but shall renew that approval annually.

(b) The procedure for the approval of a new or existing program shall include each of the following:

(1) The completion of a written application containing necessary and pertinent information describing the applicant program.

(2) The demonstration by the program that it possesses adequate administrative and operational capability to operate a batterer's treatment program. The program shall provide documentation to prove that the program has conducted batterer's programs for at least one year prior to application. This requirement may be waived under paragraph (1) of subdivision (c) of Section 1000.93, if there is no existing batterer's program in the city, county, or city and county.

(3) The on-site review of the program, including monitoring of a session to determine that the program adheres to applicable statutes and regulations.

(4) The payment of the approval fee.

(c) The probation department shall fix a fee for approval not to exceed two hundred fifty dollars ($250) and for approval renewal not to exceed two hundred fifty dollars ($250) every year in an amount sufficient to cover its cost in administering the approval process under this chapter. No fee shall be charged for the approval of local governmental entities.

(d) The probation department has the sole authority to approve the issuance, denial, suspension, or revocation of approval and to cease new enrollments or referrals to a batterer's program under this chapter. The probation department shall review information relative to a program's performance or failure to adhere to standards, or both. The probation department may suspend or revoke any approval issued under this chapter or deny an application to renew an approval or to modify the terms and conditions of approval, based on grounds established by probation, including, but not limited to, any of the following:

(1) Violation of this chapter by any person holding approval or by a program employee in a program under this chapter.

(2) Misrepresentation of any material fact in obtaining the approval.

SEC. 9. Section 1000.95 is added to the Penal Code, to read:

1000.95. If the court orders the defendant diverted pursuant to Section 1000.8, the following shall apply:

(a) The probation department shall conduct an initial assessment of each defendant, including, but not limited to, the following:

(1) Social, economic, and family background.

(2) Education.
(3) Vocational achievements.
(4) Criminal history.
(5) Medical history.
(6) Substance abuse history.
(7) Consultation with the probation officer.
(8) Verbal consultation with the victim, only if the victim desires to participate.

(b) The probation department shall attempt to notify the victim regarding the requirements for the defendant's participation in the intervention program, as well as regarding available victim resources. The victim also shall be informed that attendance in any program does not guarantee that an abuser will not be violent.

(c) If the court, upon the recommendation of the probation department, refers the defendant to a program and the program finds that the defendant is unsuitable, the program shall immediately contact the probation department. The probation department shall either recalendar the case for hearing or refer the defendant to an appropriate batterer's program.

(d) For defendants who are chronic users or serious abusers of drugs or alcohol, standard components in the program shall include concurrent counseling for substance abuse and violent behavior, and in appropriate cases, detoxification and abstinence from the abused substance.

(e) Each defendant shall be required to complete a minimum of 32 sessions in not less than 32 weeks and within a period of nine months. However, a court may require a defendant to participate in more sessions, as needed, throughout the diversionary period, upon recommendation of the program. In deciding whether the defendant would benefit from more sessions, the court shall consider whether the following conditions exist:

(1) The defendant has been violence free for a minimum of six months.

(2) The defendant has cooperated and participated in the batterer's program.

(3) The defendant demonstrates an understanding of and practices positive conflict resolution skills.

(4) The defendant blames, degrades, or has committed acts which dehumanize the victim or puts at risk the victim's safety, including, but not limited to, molesting, stalking, striking, attacking, threatening, sexually assaulting, or battering the victim.

(5) The defendant demonstrates an understanding that the use of coercion or violent behavior to maintain dominance is unacceptable in an intimate relationship.

(6) The defendant has made threats to harm anyone in any manner.

(7) The defendant has complied with any requirements under subdivision (d) or Section 1000.96 to receive alcohol counseling, drug counseling, or both.

The court shall order any additional number of sessions recommended, unless it finds that it is not in the interests of justice to do so, states its reasons on the record, and enters them into the minutes.

(f) The program shall conduct an exit conference that reflects the defendant's progress during the defendant's participation in the domestic violence diversion program.

SEC. 10. Section 1000.96 is added to the Penal Code, to read:

1000.96. Concurrent with other requirements under this chapter, and in addition to the batterer's program, as described in Sections 1000.93 and 1000.94, and unless prohibited by the referring court, the probation department may make provisions for a defendant to use his or her resources to enroll in a chemical dependency program or to voluntarily enter a licensed chemical dependency recovery hospital or residential treatment program that has a valid license issued by the state to provide alcohol or drug services to receive program participation credit, as determined by the court. The probation department shall document evidence of this hospital or residential treatment participation in the participant's program file.

SEC. 11. Section 1001.15 of the Penal Code is amended to read:

1001.15. (a) In addition to the fees authorized or required by other provisions of law, a judge may require the payment of an administrative fee, as part of an enrollment fee in a diversion program, by a defendant accused of a felony to cover the cost of any criminalistics laboratory analysis and the cost of processing a request or application for diversion pursuant to Chapter 2.5 (commencing with Section 1000), not to exceed one hundred fifty dollars ($150). The fee shall be payable at the time of enrollment in the diversion program. The court shall take into consideration the defendant's ability to pay, and no defendant shall be denied diversion because of his or her inability to pay. One-third of the fee collected shall be deposited in the criminalistics laboratories fund in the county treasury, and two-thirds of the fee collected shall be used to cover the administrative cost of processing the request or application. The portion deposited in the criminalistics laboratories fund shall be expended as provided in Section 11372.5 of the Health and Safety Code.

(b) As used in this section, "criminalistics laboratory" means a laboratory operated by, or under contract with a city, county, or other public agency, including a criminalistics laboratory of the Department of Justice, which has not less than one regularly employed forensic scientist engaged in the analysis of solid dose material and body fluids for controlled substances, and which is registered as an analytical laboratory with the Drug Enforcement Administration of the United States Department of Justice for the processing of all scheduled controlled substances.

(c) In addition to the fees authorized or required by other provisions of law, a judge may require the payment of an administrative fee, as part of an enrollment fee in a diversion

program, by a defendant accused of an act charged as, or reduced to, a misdemeanor to cover the cost of processing a request or application for diversion pursuant to Chapter 2.6 (commencing with Section 1000.6), the costs of reporting to the court on a defendant's eligibility and suitability for diversion, the cost of supervising the divertee, and for any duties required pursuant to Section 1000.9, not to exceed three hundred dollars ($300). The fee shall be payable at the time of enrollment in the diversion program. The fee shall be determined on a sliding scale according to the defendant's ability to pay, and no defendant shall be denied diversion because of his or her inability to pay.

SEC. 12. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions of applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of the act are severable.

SEC. 13. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 222

An act to amend Sections 2107 and 2111 of the Public Utilities Code, relating to public utilities.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 2107 of the Public Utilities Code is amended to read:

2107. Any public utility which violates or fails to comply with any provision of the Constitution of this state or of this part, or which fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission, in a case in which a penalty has not otherwise been provided, is subject to a penalty of not less than five hundred dollars ($500), nor more than twenty thousand dollars ($20,000) for each

offense.

SEC. 2. Section 2111 of the Public Utilities Code is amended to read:

2111. Every corporation or person, other than a public utility and its officers, agents, or employees, which or who knowingly violates or fails to comply with, or procures, aids or abets any violation of any provision of the Constitution of this state relating to public utilities or of this part, or fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, or who procures, aids, or abets any public utility in such violation or noncompliance, in a case in which a penalty has not otherwise been provided for such corporation or person, is subject to a penalty of not less than five hundred dollars ($500), nor more than twenty thousand dollars ($20,000) for each offense.

CHAPTER 223

An act to amend Section 9562 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 9562 of the Vehicle Code is amended to read:

9562. (a) When a transferee or purchaser of a vehicle applies for transfer of registration, as provided in Section 5902, and it is determined by the department that registration penalties accrued prior to the purchase of the vehicle, and that the transferee or purchaser was not cognizant of the nonpayment of the fees for registration for the current or prior registration years, the department may waive the registration penalties upon payment of the fees for registration due.

(b) Other provisions of this code notwithstanding, the director may, at his or her discretion, investigate into the circumstances of any application for registration to ascertain if penalties had accrued through no fault or intent of the owner. If the director determines that the circumstances justify it, he or she may waive any penalties upon payment of the fees for registration then due.

(c) When a transferee or purchaser of a vehicle applies for transfer of registration of a vehicle, and it is determined by the department that fees for registration of the vehicle for any year are unpaid and due, that the fees became due prior to the transfer or purchase of the vehicle by the transferee or purchaser and that the transferee or purchaser was not cognizant of the fact that the fees were unpaid and due, the department may waive the fees and any

penalty thereon if the license plate assigned to the vehicle displays a validating device issued by the department and the validating device contains the year number of the registration year for which the transferee or purchaser is requesting a waiver of fees and penalties.

(d) Upon the transfer of a vehicle for which fees for registration and any penalties thereon are unpaid and due, the fees and penalties are, notwithstanding the provisions of Article 6 (commencing with Section 9800) of this chapter, the personal debt of the transferor of the vehicle who did not pay the fees and penalties when they became due or accrued. The fees and penalties may be collected by the department in an appropriate civil action if the department has waived the fees and penalties pursuant to subdivision (c).

CHAPTER 224

An act to amend Sections 12027 and 12031 of the Penal Code, relating to peace officers.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 12027 of the Penal Code is amended to read:

12027. Section 12025 does not apply to, or affect, any of the following:

(a) (1) (A) Any peace officer, listed in Section 830.1 or 830.2, whether active or honorably retired, other duly appointed peace officers, honorably retired peace officers listed in subdivision (c) of Section 830.5, full-time paid peace officers of other states and the federal government who are carrying out official duties while in California, or any person summoned by any of these officers to assist in making arrests or preserving the peace while he or she is actually engaged in assisting that officer. Any peace officer described in this paragraph who has been honorably retired shall be issued an identification certificate by the law enforcement agency from which the officer has retired. The issuing agency may charge a fee necessary to cover any reasonable expenses incurred by the agency in issuing certificates pursuant to this subdivision. As used in this section and Section 12031, the term "honorably retired" includes all peace officers who have qualified for, and have accepted, a service or disability retirement. For purposes of this section and Section 12031, the term "honorably retired" does not include an officer who has agreed to a service retirement in lieu of termination.

(B) Any officer retired after January 1, 1981, shall have an endorsement on the identification certificate stating that the issuing agency approves the officer's carrying of a concealed firearm.

(C) No endorsement or renewal endorsement issued pursuant to paragraph (2) shall be effective unless it is in the format set forth in subparagraph (D), except that any peace officer listed in subdivision (f) of Section 830.2 or in subdivision (c) of Section 830.5, who is retired between January 2, 1981, and on or before December 31, 1988, and who is authorized to carry a concealed firearm pursuant to this section, shall not be required to have an endorsement in the format set forth in subparagraph (D) until the time of the issuance, on or after January 1, 1989, of a renewal endorsement pursuant to paragraph (2).

(D) A certificate issued pursuant to this paragraph for persons retiring after January 1, 1981, shall be in the following format: it shall be on a 2x3 inch card, bear the photograph of the retiree, the retiree's name, address, date of birth, the date that the retiree retired, name and address of the law enforcement agency from which the retiree retired, have stamped on it the endorsement "CCW Approved" and the date the endorsement is to be renewed.

(E) For purposes of this section and Section 12031, "CCW" means "carry concealed weapons."

(2) A retired peace officer who retired after January 1, 1981, shall petition the issuing agency for the renewal of his or her privilege to carry a concealed firearm every five years. An honorably retired peace officer, described in paragraph (1), retired prior to January 1, 1981, shall not be required to obtain an endorsement from the issuing agency to carry a concealed firearm. The agency from which a peace officer is honorably retired may, upon initial retirement of that peace officer or at any time subsequent thereto, deny or revoke, for good cause, the retired officer's privilege to carry a concealed firearm.

(3) An honorably retired peace officer who is listed in subdivision (c) of Section 830.5 and authorized to carry concealed firearms by this subdivision shall meet the training requirements of Section 832 and shall qualify with the firearm at least annually. The individual retired peace officer shall be responsible for maintaining his or her eligibility to carry a concealed firearm. The Department of Justice shall provide subsequent arrest notification pursuant to Section 11105.2 regarding honorably retired peace officers listed in subdivision (c) of Section 830.5 to the agency from which the officer has retired.

(b) The possession or transportation of unloaded firearms as merchandise by a person who is engaged in the business of manufacturing, importing, wholesaling, repairing, or dealing in firearms and who is licensed to engage in that business, or the authorized representative or authorized agent of that person while engaged in the lawful course of the business.

(c) Members of the Army, Navy, or Marine Corps of the United States, or the National Guard, when on duty, or organizations which are by law authorized to purchase or receive those weapons from the United States or this state.

(d) Duly authorized military or civil organizations while

parading, or the members thereof when going to and from the places of meeting of their respective organizations.

(e) Guards or messengers of common carriers, banks, and other financial institutions while actually employed in and about the shipment, transportation, or delivery of any money, treasure, bullion, bonds, or other thing of value within this state.

(f) Members of any club or organization organized for the purpose of practicing shooting at targets upon established target ranges, whether public or private, while the members are using pistols, revolvers, or other firearms capable of being concealed upon the person upon the target ranges, or while going to and from the ranges.

(g) Licensed hunters or fishermen while engaged in hunting or fishing, or while going to or returning from the hunting or fishing expedition.

(h) Transportation of unloaded firearms by a person operating a licensed common carrier or an authorized agent or employee thereof when transported in conformance with applicable federal law.

(i) Upon approval of the sheriff of the county in which they reside, honorably retired federal officers or agents of federal law enforcement agencies, including, but not limited to, the Federal Bureau of Investigation, the Secret Service, the United States Customs Service, the Federal Bureau of Alcohol, Tobacco, and Firearms, the Federal Bureau of Narcotics, the Drug Enforcement Administration, the United States Border Patrol, and officers or agents of the Internal Revenue Service who were authorized to carry weapons while on duty, who were assigned to duty within the state for a period of not less than one year, or who retired from active service in the state.

Retired federal officers or agents shall provide the sheriff with certification from the agency from which they retired certifying their service in the state, the nature of their retirement, and indicating the agency's concurrence that the retired federal officer or agent should be accorded the privilege of carrying a concealed firearm.

Upon that approval, the sheriff shall issue a permit to the retired federal officer or agent indicating that he or she may carry a concealed firearm in accordance with this subdivision. The permit shall be valid for a period not exceeding five years, shall be carried by the retiree while carrying a concealed firearm, and may be revoked for good cause.

The sheriff of the county in which the retired federal officer or agent resides may require recertification prior to a permit renewal, and may suspend the privilege for cause. The sheriff may charge a fee necessary to cover any reasonable expenses incurred by the county.

(j) The carrying of a pistol, revolver, or other firearm capable of being concealed upon the person by a person who is authorized to carry that weapon in a concealed manner pursuant to Article 3

(commencing with Section 12050).

SEC. 2. Section 12031 of the Penal Code is amended to read:

12031. (a) (1) Except as provided in subdivision (b), (c), or (d), every person who carries a loaded firearm on his or her person or in a vehicle while in any public place or on any public street in an incorporated city or in any public place or on any public street in a prohibited area of unincorporated territory is guilty of a misdemeanor.

(2) Notwithstanding paragraphs (2) and (3) of subdivision (a) of Section 836, a peace officer may make an arrest without a warrant:

(A) When the person arrested has violated this section, although not in the officer's presence.

(B) Whenever the officer has reasonable cause to believe that the person to be arrested has violated this section, whether or not this section has, in fact, been violated.

(3) (A) Every person convicted under this section who has previously been convicted of an offense enumerated in Section 12001.6, or of any crime made punishable under this chapter, shall serve a term of at least three months in a county jail, or, if granted probation, or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned for a period of at least three months.

(B) The court shall apply the three-month minimum sentence except in unusual cases where the interests of justice would best be served by granting probation or suspending the imposition or execution of sentence without the minimum imprisonment required in this subdivision or by granting probation or suspending the imposition or execution of sentence with conditions other than those set forth in this subdivision, in which case, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(b) Subdivision (a) shall not apply to any of the following:

(1) Peace officers listed in Section 830.1 or 830.2, whether active or honorably retired, other duly appointed peace officers, honorably retired peace officers listed in subdivision (c) of Section 830.5, full-time paid peace officers of other states and the federal government who are carrying out official duties while in California, or any person summoned by any of those officers to assist in making arrests or preserving the peace while the person is actually engaged in assisting that officer. Any peace officer described in this paragraph who has been honorably retired shall be issued an identification certificate by the law enforcement agency from which the officer has retired. The issuing agency may charge a fee necessary to cover any reasonable expenses incurred by the agency in issuing certificates pursuant to this paragraph and paragraph (3).

Any officer retired after January 1, 1981, shall have an endorsement on the identification certificate stating that the issuing agency approves the officer's carrying of a loaded firearm.

No endorsement or renewal endorsement issued pursuant to paragraph (2) shall be effective unless it is in the format set forth in subparagraph (D) of paragraph (1) of subdivision (a) of Section 12027, except that any peace officer listed in subdivision (f) of Section 830.2 or in subdivision (c) of Section 830.5, who is retired between January 2, 1981, and on or before December 31, 1988, and who is authorized to carry a loaded firearm pursuant to this section, shall not be required to have an endorsement in the format set forth in subparagraph (D) of paragraph (1) of subdivision (a) of Section 12027 until the time of the issuance, on or after January 1, 1989, of a renewal endorsement pursuant to paragraph (2).

(2) A retired peace officer who retired after January 1, 1981, shall petition the issuing agency for renewal of his or her privilege to carry a loaded firearm every five years. An honorably retired peace officer, described in paragraph (1), retired prior to January 1, 1981, shall not be required to obtain an endorsement from the issuing agency to carry a firearm. The agency from which a peace officer is honorably retired may, upon initial retirement of the peace officer, or at any time subsequent thereto, deny or revoke, for good cause, the retired officer's privilege to carry a firearm.

(3) An honorably retired peace officer who is listed in subdivision (c) of Section 830.5 and authorized to carry loaded firearms by this subdivision shall meet the training requirements of Section 832 and shall qualify with the firearm at least annually. The individual retired peace officer shall be responsible for maintaining his or her eligibility to carry a loaded firearm. The Department of Justice shall provide subsequent arrest notification pursuant to Section 11105.2 regarding honorably retired peace officers listed in subdivision (c) of Section 830.5 to the agency from which the officer has retired.

(4) Members of the military forces of this state or of the United States engaged in the performance of their duties.

(5) Persons who are using target ranges for the purpose of practice shooting with a firearm or who are members of shooting clubs while hunting on the premises of those clubs.

(6) The carrying of pistols, revolvers, or other firearms capable of being concealed upon the person by persons who are authorized to carry those weapons pursuant to Article 3 (commencing with Section 12050) of Chapter 1 of Title 2 of Part 4.

(7) Armored vehicle guards, as defined in Section 7521 of the Business and Professions Code, (A) if hired prior to January 1, 1977; or (B) if hired on or after that date, if they have received a firearms qualification card from the Department of Consumer Affairs, in each case while acting within the course and scope of their employment.

(8) Upon approval of the sheriff of the county in which they reside, honorably retired federal officers or agents of federal law enforcement agencies, including, but not limited to, the Federal Bureau of Investigation, the Secret Service, the United States Customs Service, the Federal Bureau of Alcohol, Tobacco, and Firearms, the Federal Bureau of Narcotics, the Drug Enforcement

Administration, the United States Border Patrol, and officers or agents of the Internal Revenue Service who were authorized to carry weapons while on duty, who were assigned to duty within the state for a period of not less than one year, or who retired from active service in the state.

Retired federal officers or agents shall provide the sheriff with certification from the agency from which they retired certifying their service in the state, the nature of their retirement, and indicating the agency's concurrence that the retired federal officer or agent should be accorded the privilege of carrying a loaded firearm.

Upon approval, the sheriff shall issue a permit to the retired federal officer or agent indicating that he or she may carry a loaded firearm in accordance with this paragraph. The permit shall be valid for a period not exceeding five years, shall be carried by the retiree while carrying a loaded firearm, and may be revoked for good cause.

The sheriff of the county in which the retired federal officer or agent resides may require recertification prior to a permit renewal, and may suspend the privilege for cause. The sheriff may charge a fee necessary to cover any reasonable expenses incurred by the county.

(c) Subdivision (a) shall not apply to any of the following who have completed a regular course in firearms training approved by the Commission on Peace Officer Standards and Training:

(1) Patrol special police officers appointed by the police commission of any city, county, or city and county under the express terms of its charter who also, under the express terms of the charter, (A) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (B) are not less than 18 years of age or more than 40 years of age, (C) possess physical qualifications prescribed by the commission, and (D) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.

(2) The carrying of weapons by animal control officers or zookeepers, regularly compensated as such by a governmental agency when acting in the course and scope of their employment and when designated by a local ordinance or, if the governmental agency is not authorized to act by ordinance, by a resolution, either individually or by class, to carry the weapons, or by persons who are authorized to carry the weapons pursuant to Section 607f of the Civil Code, while actually engaged in the performance of their duties pursuant to that section.

(3) Harbor police officers designated pursuant to Section 663.5 of the Harbors and Navigation Code.

(d) Subdivision (a) shall not apply to any of the following who have been issued a certificate pursuant to Section 12033. The certificate shall not be required of any person who is a peace officer, who has completed all training required by law for the exercise of his

or her power as a peace officer, and who is employed while not on duty as a peace officer.

(1) Guards or messengers of common carriers, banks, and other financial institutions while actually employed in and about the shipment, transportation, or delivery of any money, treasure, bullion, bonds, or other thing of value within this state.

(2) Guards of contract carriers operating armored vehicles pursuant to California Highway Patrol and Public Utilities Commission authority (A) if hired prior to January 1, 1977; or (B) if hired on or after January 1, 1977, if they have completed a course in the carrying and use of firearms which meets the standards prescribed by the Department of Consumer Affairs.

(3) Private investigators and private patrol operators who are licensed pursuant to Chapter 11.5 (commencing with Section 7512) of, and alarm company operators who are licensed pursuant to Chapter 11.6 (commencing with Section 7590) of, Division 3 of the Business and Professions Code, while acting within the course and scope of their employment.

(4) Uniformed security guards or night watch persons employed by any public agency, while acting within the scope and course of their employment.

(5) Uniformed security guards, regularly employed and compensated in that capacity by persons engaged in any lawful business, and uniformed alarm agents employed by an alarm company operator, while actually engaged in protecting and preserving the property of their employers or on duty or en route to or from their residences or their places of employment, and security guards and alarm agents en route to or from their residences or employer-required range training. Nothing in this paragraph shall be construed to prohibit cities and counties from enacting ordinances requiring alarm agents to register their names.

(6) Uniformed employees of private patrol operators and private investigators licensed pursuant to Chapter 11.5 (commencing with Section 7512) of Division 3 of the Business and Professions Code, while acting within the course and scope of their employment.

(e) In order to determine whether or not a firearm is loaded for the purpose of enforcing this section, peace officers are authorized to examine any firearm carried by anyone on his or her person or in a vehicle while in any public place or on any public street in an incorporated city or prohibited area of an unincorporated territory. Refusal to allow a peace officer to inspect a firearm pursuant to this section constitutes probable cause for arrest for violation of this section.

(f) As used in this section, "prohibited area" means any place where it is unlawful to discharge a weapon.

(g) A firearm shall be deemed to be loaded for the purposes of this section when there is an unexpended cartridge or shell, consisting of a case which holds a charge of powder and a bullet or shot, in, or attached in any manner to, the firearm, including, but not limited to,

in the firing chamber, magazine, or clip thereof attached to the firearm; except that a muzzle-loader firearm shall be deemed to be loaded when it is capped or primed and has a powder charge and ball or shot in the barrel or cylinder.

(h) Nothing in this section shall prevent any person engaged in any lawful business, including a nonprofit organization, or any officer, employee, or agent authorized by that person for lawful purposes connected with that business, from having a loaded firearm within the person's place of business, or any person in lawful possession of private property from having a loaded firearm on that property.

(i) Nothing in this section shall prevent any person from carrying a loaded firearm in an area within an incorporated city while engaged in hunting, provided that the hunting at that place and time is not prohibited by the city council.

(j) (1) Nothing in this section is intended to preclude the carrying of any loaded firearm, under circumstances where it would otherwise be lawful, by a person who reasonably believes that the person or property of himself or herself or of another is in immediate, grave danger and that the carrying of the weapon is necessary for the preservation of that person or property. As used in this subdivision, "immediate" means the brief interval before and after the local law enforcement agency, when reasonably possible, has been notified of the danger and before the arrival of its assistance.

(2) A violation of this section is justifiable when a person who possesses a firearm reasonably believes that he or she is in grave danger because of circumstances forming the basis of a current restraining order issued by a court against another person or persons who has or have been found to pose a threat to his or her life or safety. This paragraph may not apply when the circumstances involve a mutual restraining order issued pursuant to Sections 2035 and 2036 of the Family Code, Sections 5514 and 5550 of the Family Code, or Sections 7710 and 7711 of the Family Code absent a factual finding of a specific threat to the person's life or safety. It is not the intent of the Legislature to limit, restrict, or narrow the application of current statutory or judicial authority to apply this or other justifications to defendants charged with violating Section 12025 or of committing other similar offenses.

Upon trial for violating this section, the trier of fact shall determine whether the defendant was acting out of a reasonable belief that he or she was in grave danger.

(k) Nothing in this section is intended to preclude the carrying of a loaded firearm by any person while engaged in the act of making or attempting to make a lawful arrest.

(*l*) Nothing in this section shall prevent any person from having a loaded weapon, if it is otherwise lawful, at his or her place of residence, including any temporary residence or campsite.

CHAPTER 225

An act to amend Sections 11521.1 and 11521.3 of, and to add Section 11520.6 to, the Insurance Code, relating to grants and annuities.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 11520.6 is added to the Insurance Code, to read:

11520.6. (a) Before granting a certificate of authority or amended certificate of authority as a grants and annuities society to any applicant, the commissioner shall consider the qualifications of the applicant with respect to the following subjects:

(1) Minimum net worth and working capital.
(2) Lawfulness and quality of investments.
(3) Financial stability.
(4) Reinsurance agreements.
(5) Competency, character, and integrity of management.
(6) Ownership and control.
(7) Fairness and honesty of methods of doing business.
(8) Risk to the public.

(b) Upon consideration of all relevant qualifications, the commissioner shall issue a certificate of authority to an applicant, unless the commissioner finds that the applicant is materially deficient with respect to one or more of the subjects set forth in subdivision (a).

SEC. 2. Section 11521.1 of the Insurance Code is amended to read:

11521.1. (a) The funds and other property, together with interest and dividends thereon and proceeds therefrom, conditioned upon issuance of the certificate holder's contracts to pay annuities, shall be maintained under a separate trust agreement for reserves held for the benefit of California annuitants and shall be held legally and physically segregated from the other assets of the certificate holder. The amendments to this subdivision enacted during the 1993 portion of the 1993–94 Regular Session shall apply to any organization that is issued a new certificate of authority on or after January 1, 1994. Any grants and annuities society that holds a certificate of authority on January 1, 1994, and that is not in compliance with this subdivision as of that date, shall comply with these amendments by January 1, 1998.

(b) Nothing in subdivision (a) shall prevent the certificate holder from withdrawing from time to time, pursuant to an appropriate resolution of its board of trustees, that amount or amounts as are determined, in a manner which is satisfactory to the commissioner, to be excess over and above its reserve required to be maintained

under the provisions of Section 11521.

(c) If the grants and annuities society will manage and direct investment of the reserve funds required under Section 11521, the California reserves may be held under a declaration of trust stating that the grants and annuities society will hold the funds in trust and invest funds or property held in trust in accordance with the requirements of this code. If a bank will manage or direct the investment of the California reserves fund, a trust agreement shall be executed with that institution that will act as a trustee.

SEC. 3. Section 11521.3 of the Insurance Code is amended to read:

11521.3. (a) Prior to admission each applicant shall file with the commissioner an accurate and complete financial statement consisting of a balance sheet and income and expense statement, showing the current condition of the applicant and sworn to by the officer of the applicant having the responsibility for preparing the statement.

(b) If the applicant is already transacting a grants and annuities business in another state, an accurate and complete financial statement showing the condition of the present grants and annuities business, sworn to by the officer having the responsibility for preparing the statement, shall be submitted.

(c) One hundred and twenty days after the end of their fiscal year, every certificate holder shall make and file with the commissioner an accurate and complete financial statement, consisting of a balance sheet and income and expense statement, showing the current condition of the certificate holder's grants and annuities operation on a form prescribed by the commissioner.

CHAPTER 226

An act to amend Sections 2154 and 7319 of, to amend the heading of Chapter 8 (commencing with Section 3600) of Division 2 of, and to add Section 2453.5 to, the Business and Professions Code, to amend Sections 597.5 and 1029.6 of the Code of Civil Procedure, to amend Sections 49452 and 69799 of the Education Code, to amend Section 1158 of the Evidence Code, to amend Section 1157 of the Government Code, to amend Section 7150.1 of the Health and Safety Code, to amend Section 11588 of the Insurance Code, to amend Section 139 of the Labor Code, to amend Section 656 of the Unemployment Insurance Code, and to amend Section 12522 of the Vehicle Code, relating to osteopathic medicine.

[Approved by Governor July 26, 1993. Filed with Secretary of State July 27, 1993.]

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

SECTION 1. Section 2154 of the Business and Professions Code is amended to read:

2154. Notwithstanding any other provisions of law, the Osteopathic Medical Board of California shall issue an osteopathic physician's and surgeon's certificate on reciprocity to an applicant providing he or she meets the following requirements:

(a) The applicant holds an unlimited license to engage in the practice of osteopathic medicine in another state whose written licensing examination is recognized and approved by the board to be equivalent in content to that administered in California. For the purposes of this section, the board may recognize and approve as equivalent an examination prepared by the Federation of State Medical Boards if an applicant had been licensed in another state as a result of the successful completion, prior to December 31, 1993, of that examination. In lieu of a board recognized and approved state written license examination, the board may require the applicant to successfully complete a special examination in general medicine and osteopathic principles prepared by the National Board of Osteopathic Medical Examiners, or the Osteopathic Medical Board of California. The board may also utilize a special purpose examination prepared by the Federation of State Medical Boards.

(b) The board determines that no disciplinary action has been taken against the applicant by any medical licensing authority and that the applicant has not been the subject of adverse judgments or settlements resulting from the practice of medicine which the board determines constitutes evidence of a pattern of negligence or incompetence.

(c) The applicant successfully completes an oral, clinical, and practical examination, as determined by the board.

SEC. 2. Section 2453.5 is added to the Business and Professions Code, to read:

2453.5. Individuals possessing physician's and surgeon's certificates issued by the Osteopathic Medical Board of California shall not hold themselves out to be board certified unless the board certification has been granted by the appropriate certifying board, as authorized by the American Osteopathic Association or the American Board of Medical Specialties, or is the result of a postgraduate training program approved by the Accreditation Council for Graduate Medical Education.

SEC. 3. The heading of Chapter 8 (commencing with Section 3600) of Division 2 of the Business and Professions Code is amended to read:

CHAPTER 8. OSTEOPATHIC MEDICINE

SEC. 4. Section 7319 of the Business and Professions Code is amended to read:

7319. The following persons are exempt from this chapter:

(a) All persons authorized by the laws of this state to practice medicine, surgery, dentistry, pharmacy, osteopathic medicine, chiropractic, naturopathy, podiatry, or nursing and acting within the scope of practice for which they are licensed.

(b) Commissioned officers of the United States Army, Navy, Air Force, Marine Corps, members of the United States Public Health Service, and attendants attached to those services when engaged in the actual performance of their official duties.

(c) Persons employed to render barbering, cosmetology, or electrolysis services in the course of and incidental to the business of employers engaged in the theatrical, radio, television or motion picture production industry.

(d) Persons engaged in any practice within its scope when done outside of a licensed establishment, without compensation.

(e) Persons engaged in the administration of hair, skin, or nail products for the exclusive purpose of recommending, demonstrating, or selling those products.

SEC. 5. Section 597.5 of the Code of Civil Procedure is amended to read:

597.5. In an action against a physician or surgeon, dentist, registered nurse, dispensing optician, optometrist, registered physical therapist, podiatrist, licensed psychologist, osteopathic physician and surgeon, chiropractor, clinical laboratory bioanalyst, clinical laboratory technologist, veterinarian, or a licensed hospital as the employer of any such person, based upon the person's alleged professional negligence, or for rendering professional services without consent, or for error or omission in the person's practice, if the answer pleads that the action is barred by the statute of limitations, and if any party so moves or the court upon its own motion requires, the issues raised thereby must be tried separately and before any other issues in the case are tried. If the issue raised by the statute of limitations is finally determined in favor of the plaintiff, the remaining issues shall then be tried.

SEC. 6. Section 1029.6 of the Code of Civil Procedure is amended to read:

1029.6. (a) Whenever a complaint for damages for personal injuries is filed against a physician and surgeon, dentist, registered nurse, dispensing optician, optometrist, pharmacist, registered physical therapist, podiatrist, licensed psychologist, osteopathic physician and surgeon, chiropractor, clinical laboratory bioanalyst, clinical laboratory technologist, or veterinarian, duly licensed as such under the laws of this state, or a licensed hospital as the employer of any such person, in an action for error, omission, or negligence in the performance of professional services, or performance of professional

services without consent, any such defendant may, within six months after service of summons, move the court for an order, upon notice to plaintiff and all defendants having appeared in the action, and hearing, requiring the plaintiff to file an undertaking in a sum not to exceed five hundred dollars ($500) as security for the costs of defense as provided in subdivision (d), which may be awarded against the plaintiff. The motion shall be supported by affidavit showing that the claim against the defendant is frivolous. Any defendant having appeared in the action and within 30 days after receipt of notice may join with the moving party requesting an order under this section as to the additional defendant. The failure of any defendant to join with the moving party shall preclude that defendant from subsequently requesting an order under this section.

At the hearing upon the motion, the court shall order the plaintiff to file the undertaking if the defendant shows to the satisfaction of the court that: (i) the plaintiff would not suffer undue economic hardship in filing the undertaking and (ii) there is no reasonable possibility that the plaintiff has a cause of action against each named defendant with respect to whom the plaintiff would otherwise be required to file the undertaking.

A determination by the court that an undertaking either shall or shall not be filed or shall be filed as to one or more defendants and not as to others, shall not be deemed a determination of any one or more issues in the action or of the merits thereof. If the court, upon any such motion, makes a determination that an undertaking be filed by the plaintiff as to any one or more defendants, the action shall be dismissed as to that defendant or defendants, unless the undertaking required by the court shall have been filed within the reasonable time as may be fixed by the court.

(b) This section does not apply to a complaint in an action commenced in a small claims court.

(c) Whenever more than one defendant is named, the undertaking shall be increased to the extent of not to exceed five hundred dollars ($500) for each additional defendant in whose favor the undertaking is ordered, not to exceed the total of one thousand dollars ($1,000).

(d) In any action requiring an undertaking as provided in this section, upon the dismissal of the action or the award of judgment to the defendant, the court shall require the plaintiff to pay the defendant's court costs. Any sureties shall be liable for those costs in an amount not to exceed the sum of five hundred dollars ($500) or the amount of the undertaking, whichever is lesser, for each defendant with respect to whom the sureties have executed an undertaking. If the plaintiff prevails in the action against any defendant with respect to whom an undertaking has been filed, the defendant shall pay the costs to plaintiff incurred in defending the motion for dismissal authorized by this section.

(e) Any defendant filing a motion under this section or joining with a moving party under this section is precluded from

subsequently filing a motion for summary judgment.

(f) Any defendant filing a motion for summary judgment is precluded from subsequently filing a motion, or joining with a moving party, under this section.

SEC. 7. Section 49452 of the Education Code is amended to read:

49452. The governing board of any school district shall, subject to Section 49451, provide for the testing of the sight and hearing of each pupil enrolled in the schools of the district. The test shall be adequate in nature and shall be given only by duly qualified supervisors of health employed by the district; or by certificated employees of the district or of the county superintendent of schools who possess the qualifications prescribed by the Commission for Teacher Preparation and Licensing; or by contract with an agency duly authorized to perform those services by the county superintendent of schools of the county in which the district is located, under guidelines established by the State Board of Education; or accredited schools or colleges of optometry, osteopathic medicine, or medicine. The records of the tests shall serve as evidence of the need of the pupils for the educational facilities provided physically handicapped individuals. The equipment necessary to conduct the tests may be purchased or rented by governing boards of school districts. The state, any agency, or political subdivision thereof may sell or rent any such equipment owned by it to the governing board of any school district upon terms as may be mutually agreeable.

SEC. 8. Section 69799 of the Education Code is amended to read:

69799. The Office of Statewide Health Planning and Development shall do all of the following:

(a) Provide technical and staff support to the foundation in meeting all of its responsibilities.

(b) Provide financial management for the Minority Health Professions Education Fund.

(c) Enter into contractual agreements with students from underrepresented minority groups for the disbursement of scholarships or loans in return for the commitment of these students to practice their profession in an area in California designated as deficient in primary care services.

(d) Disseminate information regarding the areas in the state that are deficient in primary care services to potential applicants for the scholarships or loans.

(e) Monitor the practice locations of the recipients of the scholarships or loans.

(f) Recover funds, in accordance with the terms of the contractual agreements, from recipients of scholarships or loans who fail to begin or complete their obligated service. Funds so recovered shall be redeposited in the Minority Health Professions Education Fund.

(g) Contract with the institutions that train family practice residents, in order to increase the participation of students from underrepresented minority groups in entering the specialty of family practice. The director may seek the recommendations of the

commission or foundation as to which programs best demonstrate the ability to meet this objective.

(h) Contract with training institutions which are involved in osteopathic postgraduate training in general or family practice medicine, in order to increase the participation of students from underrepresented minority groups participating in the practice of osteopathic medicine. The director may seek the recommendations of the commission or foundation as to which programs have demonstrated the ability to meet this objective.

(i) Enter into contractual agreements with graduated health professionals to repay some or all of the debts they incurred in health professional schools in return for practicing their professions in an area in California designated as deficient in primary care services.

(j) Contract with institutions that award baccalaureate of science of nursing degrees in order to increase the participation of students from underrepresented minority groups in the nursing profession. The director may seek the recommendations of the commission as to which programs have demonstrated the ability to meet this objective.

SEC. 9. Section 1158 of the Evidence Code is amended to read:

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

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

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

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

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

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

SEC. 10. Section 1157 of the Government Code is amended to read:

1157. Officers and employees of a public agency, other than those under the uniform payroll system provided for in Article 5 (commencing with Section 12470) of Chapter 5 of Part 2 of Division 3 of Title 2, may authorize the governing body of the public agency to make deductions from their salaries or wages for the payment of premiums on life, accident, health, disability, legal expense, or automobile liability insurance, or on any two or more, under a system of insurance approved by or adopted and carried into effect by the governing body, or for the payment of premiums on National Service Life Insurance or United States Government Converted Insurance. Officers and employees of the public agency may authorize the governing body of the public agency to make deductions from their salaries or wages for the payment of dues or subscription charges of nonprofit membership corporations for defraying the cost of medical service (including services rendered by doctors of medicine, doctors of osteopathic medicine, or doctors of chiropractic), or hospital care, or legal services, or, any of them, under system of medical service, or hospital care, or legal services, or, any of them, approved by or adopted and carried into effect by the governing body.

SEC. 11. Section 7150.1 of the Health and Safety Code is amended to read:

7150.1. As used in this chapter:

(a) "Anatomical gift" means a donation of all or part of a human body or a pacemaker to take effect upon or after death.

(b) "Decedent" means a deceased individual and includes a stillborn infant or fetus.

(c) "Document of gift" means a card, a statement attached to or imprinted on a motor vehicle operator's or chauffeur's license, a will, or other writing used to make an anatomical gift.

(d) "Donor" means an individual who makes an anatomical gift of all or part of the individual's body or a pacemaker.

(e) "Enucleator" means an individual who removes or processes eyes or parts of eyes.

(f) "Hospital" means a facility licensed, accredited, or approved as a hospital under the law of any state or a facility operated as a hospital by the United States government, a state, or a subdivision of a state.

(g) "Part" means an organ, tissue, eye, bone, artery, blood, fluid, or other portion of a human body or a pacemaker.

(h) "Person" means an individual, corporation, business trust, estate, trust, partnership, joint venture, association, government, governmental subdivision or agency, or any other legal or commercial entity.

(i) "Physician" or "surgeon" means an individual licensed or otherwise authorized to practice medicine and surgery or osteopathic medicine and surgery under the laws of any state.

(j) "Procurement organization" means a person licensed, accredited, or approved under the laws of any state or by the State Department of Health Services for procurement, distribution, or storage of human bodies or parts.

(k) "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(*l*) "Technician" means an individual who has completed training in removal of parts for transplant, therapeutic, or scientific purposes, which the donee determines to be adequate for the purpose.

SEC. 12. Section 11588 of the Insurance Code is amended to read:

11588. No insurer authorized to do business in this state and to provide professional liability insurance to persons lawfully engaged in the practice of medicine or osteopathic medicine, health plans, and to partnerships or corporations lawfully engaged in the operation of hospitals, sanitariums, clinics, or other health care facilities, shall refuse to issue or renew insurance at rates which are not excessive or unfairly discriminatory as defined in Section 1852 to those persons, partnerships or corporations, solely on the grounds that those persons, partnerships or corporations have entered, or intend to enter, into valid written agreements with patients or prospective patients for the arbitration of cases or controversies arising out of the professional or business relationships between those persons, partnerships or corporations and said patients.

SEC. 13. Section 139 of the Labor Code is amended to read:

139. (a) The Industrial Medical Council shall consist of nine

doctors of medicine, at least one of whom shall be a psychiatrist and at least one of whom shall specialize in occupational medicine, two doctors of osteopathic medicine, two doctors of chiropractic, and one doctor of psychology, all of whom shall be licensed to practice in this state. The administrative director shall be an ex officio, nonvoting member of the council, and the medical director appointed pursuant to Section 122, shall serve as executive secretary of the council.

(b) The Governor shall appoint four doctors of medicine, two doctors of osteopathic medicine, and one doctor of chiropractic to the council. The Senate Committee on Rules shall appoint two doctors of medicine, one of whom shall be a psychiatrist, and the doctor of chiropractic. The Speaker of the Assembly shall appoint two doctors of medicine, one of whom shall be an occupational medicine specialist, and the doctor of psychology. The Speaker of the Assembly and the Senate Committee on Rules, alternately, shall appoint the remaining doctor of medicine. The Speaker of the Assembly shall make the initial appointment of this member.

The term of office of members of the council shall be four years, and a member shall hold office until the appointment of a successor. However, the initial terms of three of the doctors of medicine appointed by the Governor shall expire, respectively, on December 31, 1991, December 31, 1992, and December 31, 1993, and the initial terms of the doctors of medicine appointed by the Speaker of the Assembly shall expire, respectively, on December 31, 1991, December 31, 1992, and December 31, 1993. The initial term of one doctor of osteopathic medicine and the doctor of psychology shall both expire on December 31, 1991. Any vacancy shall be filled by the original appointing authority for the unexpired term.

(c) The nine doctors of medicine and the doctors of osteopathic medicine of the council shall represent medical specialities concerned with the treatment of industrial injury and disease. The doctors of medicine shall be appointed after consultation with the statewide and local associations of the medical profession. The doctors of osteopathic medicine and psychology shall be appointed after consultation with the statewide associations of the osteopathic medical profession and psychologists. The doctors of chiropractic shall be appointed after consultation with statewide and local associations of the chiropractic profession.

(d) Any physician of a type which must be represented pursuant to subdivision (a) may be considered for appointment to the council if the following qualifications are met:

(1) A physician and surgeon shall be board certified in his or her specialty or, if a doctor of chiropractic, shall be certified in a chiropractic specialty recognized and approved by the California Chiropractic Association, the International Chiropractors Association of California, or the American Chiropractic Association, or if a psychologist, shall be board certified in clinical psychology, or hold a doctoral degree in psychology from an accredited university or professional school and have not less than five years' postdoctoral

experience in the diagnosis and treatment of emotional and mental disorders.

(2) The physician shall be experienced in treating and evaluating industrial injuries and shall maintain an active practice, of which at least 20 percent of the total practice time is devoted to direct patient treatment.

(e) Members of the council shall, within the scope of each member's professional training, do all of the following:

(1) Maintain liaisons with the medical, osteopathic, chiropractic, and psychological professions.

(2) Counsel and assist the administrative director and perform other duties as the administrative director may request.

(3) Assist in recruiting physicians for the medical bureau of the division.

(4) Assist in developing guidelines for the determination of disputed questions of clinical fact, including guidelines for the range of time normally required to perform an initial comprehensive medical-legal evaluation or any other evaluation, as well as the content of those procedures. The guidelines shall include the range of time normally required for direct patient contact between the physician and the patient in each such procedure.

(5) Suggest standards for improving care furnished to injured employees.

(6) Undertake continuing studies of developments in the field of rehabilitation, and continuously inform treating physicians of these developments.

(7) Recommend reasonable levels of fees for physicians performing services under Division 4 (commencing with Section 3200).

(8) In coordination with the administrative director, monitor and measure changes in the cost and frequency of the most common medical services.

(f) The council shall appoint an advisory committee on psychiatric injuries with both psychologists and psychiatrists as members and shall consider the advisory committee's recommendations concerning psychiatric injuries. The council may appoint advisory committees for other specialties as may be necessary to the performance of its duties.

(g) No action of the council shall be taken unless concurred in by not less than eight members present and voting at a meeting.

(h) Members of the council shall receive actual, necessary traveling expenses and a per diem allowance of one hundred dollars ($100) for each day spent in meetings of the council.

SEC. 14. Section 656 of the Unemployment Insurance Code is amended to read:

656. "Employment" does not include professional services performed by a consultant working as an independent contractor.

For the purpose of this section, there shall be a rebuttable presumption that services provided by an individual engaged in

work requiring specialized knowledge and skills attained through completion of recognized courses of instruction or experience are rendered as an independent contractor. These services shall be limited to those provided by attorneys, physicians, dentists, engineers, architects, accountants, and the various types of physical, chemical, natural, and biological scientists. Professional services shall not include services generally provided by persons who do not have a degree from a four-year institution of higher learning relating to the specialized knowledge and skills of the professional service being provided.

For the purposes of this section, the rebuttable presumption shall not apply to an individual who enters into a contract agreement with the recipient of the professional services which establishes an employer-employee relationship. However, the existence of a contract between a nonprofit, licensed, primary care clinic, as defined in subdivision (a) of Section 1204 of the Health and Safety Code, and a health care practitioner who is licensed as a physician and surgeon, osteopathic physician and surgeon, podiatrist, optometrist, or psychologist shall not constitute an employer-employee relationship if the contract stipulates that the professional services rendered to the clinic are by an independent contractor, not an employee. Independent contractors who conform to the provisions of this section or primary care clinics which contract with these individuals or organizations shall not be liable for any payments that may be required under an employer-employee relationship pursuant to this code.

SEC. 15. Section 12522 of the Vehicle Code is amended to read:

12522. (a) Every person who operates a schoolbus or youth bus in the transportation of school pupils shall, in addition to any other requirement for a schoolbus or youth bus driver's certificate, qualify by an examination on first aid practices deemed necessary for schoolbus operators or youth bus operators. Standards for examination shall be determined by the Emergency Medical Services Authority after consultation with the State Department of Education, the Department of Motor Vehicles, and the Department of the California Highway Patrol. The local school authority employing the applicant shall provide a course of instruction concerning necessary first aid practices.

(b) The Department of the California Highway Patrol shall conduct the first aid examination as part of the examination of applicants for a schoolbus or youth bus driver's certificate and shall certify to the Department of Motor Vehicles that the applicant has satisfactorily demonstrated his or her qualifications in first aid practices, knowledge of schoolbus or youth bus laws and regulations, and ability to operate a schoolbus or youth bus. The first aid certifications shall be valid for the term of the schoolbus or youth bus driver's certificate.

(c) The first aid examination may be waived if the applicant possesses either of the following minimum qualifications:

(1) A current first aid certificate issued by the American Red Cross or by an organization whose first aid training program is at least equivalent to the American Red Cross first aid training program, as determined by the Emergency Medical Services Authority. The Emergency Medical Services Authority may charge a fee, sufficient to cover its administrative costs of approval, to an organization that applies to have its first aid training program approved for purposes of this paragraph.

(2) A current license as a physician and surgeon, osteopathic physician and surgeon, or registered nurse, or a current certificate as a physician's assistant or emergency medical technician. The first aid certificate or license shall be maintained throughout the term of the schoolbus or youth bus driver's certificate and shall be presented upon demand of any traffic officer. The schoolbus or youth bus driver's certificate shall not be valid during any time that the driver fails to maintain and possess that license or certificate after the first aid examination has been waived.

CHAPTER 227

An act to amend Section 139 of, to add Chapter 3 (commencing with Section 75) to Division 1 of, and to repeal Section 55.5 of, the Labor Code, relating to workers' compensation.

[Approved by Governor July 27, 1993. Filed with Secretary of State July 28, 1993.]

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

SECTION 1. Section 55.5 of the Labor Code is repealed.

SEC. 2. Chapter 3 (commencing with Section 75) is added to Division 1 of the Labor Code, to read:

CHAPTER 3. COMMISSION ON HEALTH AND SAFETY AND WORKERS' COMPENSATION

75. (a) There is in the department the Commission on Health and Safety and Workers' Compensation. The commission shall be composed of eight voting members. Four voting members shall represent organized labor, and four voting members shall represent employers. Not more than one employer member shall represent public agencies. Two of the employer and two of the labor members shall be appointed by the Governor. The Senate Committee on Rules and the Speaker of the Assembly shall each appoint one employer and one labor representative. The public employer representative shall be appointed by the Governor. No action of the commission shall be valid unless agreed to by a majority of the membership and by not less than two members representing organized labor and two

members representing employers.

(b) The commission shall select one of the members representing organized labor to chair the commission during the 1994 calendar year, and thereafter the commission shall alternatively select an employer and organized labor representative to chair the commission for one-year terms.

(c) The initial terms of the members of the commission shall be four years, and they shall hold office until the appointment of a successor. However, the initial terms of one employer and one labor member appointed by the Governor shall expire on December 31, 1995; the initial terms of the members appointed by the Senate Committee on Rules shall expire December 31, 1996; the initial terms of the members appointed by the Speaker of the Assembly shall expire on December 31, 1997; and the initial term of one employer and one labor member appointed by the Governor shall expire on December 31, 1998. Any vacancy shall be filled by appointment to the unexpired term.

(d) The commission shall meet every other month and upon the call of the chair. Meetings shall be open to the public. Members of the commission shall receive one hundred dollars ($100) for each day of their actual attendance at meetings of the commission and other official business of the commission and shall also receive their actual and necessary traveling expenses incurred in the performance of their duty as a member. Payment of per diem and traveling expenses may be made from the Workplace Health and Safety Revolving Fund, when appropriated by the Legislature.

76. The commission may employ officers, assistants, experts, and other employees it deems necessary. All personnel of the commission shall be under the supervision of the chair or an executive officer to whom he or she delegates this responsibility. All personnel shall be appointed pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except for the one exemption allowed by subdivision (e) of Section 4 of Article VII of the California Constitution.

77. (a) The commission shall conduct a continuing examination of the workers' compensation system, as defined in Section 4 of Article XIV of the California Constitution, and of the state's activities to prevent industrial injuries and occupational diseases. The commission may conduct or contract for studies it deems necessary to carry out its responsibilities. In carrying out its duties, the commission shall examine other states' workers' compensation programs and activities to prevent industrial injuries and occupational diseases. All state departments and agencies, and any rating organization licensed by the Insurance Commissioner pursuant to Article 3 (commencing with Section 11750) of Chapter 3 of Part 3 of Division 2 of the Insurance Code, shall cooperate with the commission and upon reasonable request provide information and data in their possession that the commission deems necessary for

the purpose of carrying out its responsibilities. The commission shall issue an annual report on the state of the workers' compensation system, including recommendations for administrative or legislative modifications which would improve the operation of the system. The report shall be made available to the Governor, the Legislature, and the public on request.

(b) The commission succeeds to, and is vested with, all of the powers, duties, purposes, responsibilities, and jurisdiction of the Health and Safety Commission which is hereby abolished, including the administration of grants to assist in establishing effective occupational injury and illness prevention programs.

78. (a) The commission shall review and approve applications from employers and employee organizations, as well as applications submitted jointly by an employer organization and an employee organization, for grants to assist in establishing effective occupational injury and illness prevention programs. The commission shall establish policies for the evaluation of these applications and shall give priority to applications proposing to target high-risk industries and occupations, including those with high injury or illness rates, and those in which employees are exposed to one or more hazardous substances or conditions or where there is a demonstrated need for research to determine effective strategies for the prevention of occupational illnesses or injuries.

(b) Civil and administrative penalties assessed pursuant to Sections 129.5 and 4628 shall be deposited in the Workplace Health and Safety Revolving Fund, which is hereby created in the State Treasury. Proceeds of the fund, when appropriated by the Legislature, shall be expended by the department, upon approval by the commission, for funding the grants under subdivision (a), and by the commission for payment of the commission's expenses incurred under this chapter.

SEC. 3. Section 139 of the Labor Code is amended to read:

139. (a) The Industrial Medical Council shall consist of nine doctors of medicine, at least one of whom shall be a psychiatrist and at least one of whom shall specialize in occupational medicine, two doctors of osteopathy, two doctors of chiropractic, one physical therapist, and one doctor of psychology, all of whom shall be licensed to practice in this state, and one medical economist. The administrative director shall be an ex officio, nonvoting member of the council, and the medical director appointed pursuant to Section 122, shall serve as executive secretary of the council.

(b) The Governor shall appoint four doctors of medicine, two doctors of osteopathy, one doctor of chiropractic to the council, and one medical economist. The Senate Committee on Rules shall appoint three doctors of medicine, one of whom shall be a psychiatrist, and the doctor of chiropractic. The Speaker of the Assembly shall appoint two doctors of medicine, one of whom shall be an occupational medicine specialist, one physical therapist, and the doctor of psychology.

The term of office of members of the council shall be four years, and a member shall hold office until the appointment of a successor. However, the initial terms of three of the doctors of medicine appointed by the Governor shall expire, respectively, on December 31, 1991, December 31, 1992, and December 31, 1993, and the initial terms of the doctors of medicine appointed by the Speaker of the Assembly shall expire, respectively, on December 31, 1991, December 31, 1992, and December 31, 1993. The initial term of one doctor of osteopathy and the doctor of psychology shall both expire on December 31, 1991. Any vacancy shall be filled by the original appointing authority for the unexpired term.

(c) The nine doctors of medicine and the doctors of osteopathy of the council shall represent medical specialties concerned with the treatment of industrial injury and disease. The doctors of medicine shall be appointed after consultation with the statewide and local associations of the medical profession. The doctors of osteopathy and psychology shall be appointed after consultation with the statewide associations of the osteopathic medical profession and psychologists. The doctors of chiropractic shall be appointed after consultation with statewide and local associations of the chiropractic profession.

(d) Any physician of a type which must be represented pursuant to subdivision (a) may be considered for appointment to the council if the following qualifications are met:

(1) A physician and surgeon shall be board certified in his or her specialty or, if a doctor of chiropractic, shall be certified in a chiropractic specialty recognized and approved by the California Chiropractic Association, the International Chiropractors Association of California, or the American Chiropractic Association, or if a psychologist, shall be board certified in clinical psychology, or hold a doctoral degree in psychology from an accredited university or professional school and have not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders.

(2) The physician shall be experienced in treating and evaluating industrial injuries and shall maintain an active practice, of which at least one-third of the total practice time is devoted to direct patient treatment.

(e) Members of the council shall, within the scope of each member's professional training, do all of the following:

(1) Maintain liaisons with the medical, osteopathic, chiropractic, and psychological professions.

(2) Counsel and assist the administrative director and perform other duties as the administrative director may request.

(3) Assist in recruiting physicians for the medical bureau of the division.

(4) Assist in developing guidelines for the determination of disputed questions of clinical fact, including guidelines for the range of time normally required to perform a comprehensive medical-legal evaluation, as well as the content of those procedures. The guidelines

shall include the range of time normally required for direct patient contact between the physician and the patient in each such procedure.

(5) Suggest standards for improving care furnished to injured employees.

(6) Undertake continuing studies of developments in the field of rehabilitation, and continuously inform treating physicians of these developments.

(7) Recommend reasonable levels of fees for physicians performing services under Division 4 (commencing with Section 3200).

(8) In coordination with the administrative director, monitor and measure changes in the cost and frequency of the most common medical services, and adopt guidelines for the treatment of common industrial injuries on or before July 1, 1994. The guidelines shall reflect practices as generally accepted by the health care community, and shall apply the current standards of care, including, but not limited to, appropriate and inappropriate diagnostic techniques, treatment modalities, adjustive modalities, length of treatment, and appropriate specialty referrals. On or before July 1, 1994, the administrative director shall adopt model utilization protocols in order to provide utilization review standards. All insurers shall comply with this protocol by July 1, 1995.

(9) In consultation with the administrative director, promulgate a form which may be used by treating physicians to report on medical issues necessary to determine an employee's compensation.

(f) The council shall appoint an advisory committee on psychiatric injuries with both psychologists and psychiatrists as members and shall consider the advisory committee's recommendations concerning psychiatric injuries. The council may appoint advisory committees for other specialties as may be necessary to the performance of its duties.

(g) No action of the council shall be taken unless concurred in by not less than eight members present and voting at a meeting.

(h) Members of the council shall receive actual, necessary traveling expenses and a per diem allowance of one hundred dollars ($100) for each day spent in meetings of the council.

CHAPTER 228

An act to amend Sections 11750.1, 11750.3, and 11751.1 of, to add Section 11752.8 to, and to repeal and add Article 2 (commencing with Section 11730) of Chapter 3 of Part 3 of Division 2 of, the Insurance Code, relating to workers' compensation.

[Approved by Governor July 27, 1993. Filed with Secretary of State July 28, 1993.]

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

SECTION 1. Article 2 (commencing with Section 11730) of Chapter 3 of Part 3 of Division 2 of the Insurance Code is repealed.

SEC. 2. Article 2 (commencing with Section 11730) is added to Chapter 3 of Part 3 of Division 2 of the Insurance Code, to read:

Article 2. State Rate Supervision

11730. The following definitions govern the construction and meaning of the terms used in this article:

(a) "Advisory organization" means an entity licensed by the commissioner pursuant to Article 3 (commencing with Section 11750).

(b) "Classification system" or "classification" means a plan, system, or arrangement for recognizing differences in exposure to hazards among industries, occupations, or operations of insurance policyholders.

(c) "Expenses" means that portion of any rate attributable to acquisition, field supervision, collection expenses, general expenses, taxes, licenses, and fees.

(d) "Experience rating" means a rating procedure utilizing past insurance experience of the individual policyholder to forecast future losses by measuring the policyholder's loss experience against the loss experience of policyholders in the same classification to produce a prospective premium credit, debit, or unity modification.

(e) "Loss trending" means any procedure for projecting developed losses to the average date of loss for the period during which the policies are to be effective.

(f) "Market" means the interaction between buyers and sellers of workers' compensation insurance within this state pursuant to the provisions of this article.

(g) "Pure premium rate" means that portion of the rate which represents the loss cost per unit of exposure, including loss adjustment expense.

(h) "Rate" means the cost of insurance per exposure base unit, prior to any application of individual risk variations based on loss or expenses considerations and does not include minimum premiums.

(i) "Statistical plan" means the plan, system, or arrangement used

in collecting data.

(j) "Supplementary rate information" means any manual or plan of rates, classification system, rating schedule, minimum premium, policy fee, rating rule, rating plan, and any other similar information needed to determine the applicable premium for an insured.

(k) "Supporting information" means the experience and judgment of the filer and the experience or data of other insurers or organizations relied on by the filer, the interpretation of any statistical data relied on by the filer, descriptions of methods used in making the rates, and any other similar information required to be filed by the commissioner.

11731. This article applies to workers' compensation insurance and employers' liability insurance written in connection therewith.

11732. Rates shall not, if continued in use, tend to impair or threaten the solvency of an insurer or tend to create a monopoly in the market. For the purpose of this section, the rates of any individual insurer are presumed to create a monopoly in the market if the insurer has a market share, based on percentage of statewide workers' compensation premium, equivalent to 20 percent or more of the premium written by all insurers other than the State Compensation Insurance Fund.

11733. In determining whether rates comply with Section 11732, the following criteria shall apply:

(a) Due consideration may be given to past and prospective loss and expenses experience within this state, to catastrophe hazards and contingencies, to events or trends within this state, to loadings for leveling premium rates over time or for dividends or savings to be allowed or returned by insurers to their policyholders, members or subscribers, and to all other relevant factors, including judgment. For purposes of determining whether rates would tend to impair or threaten the solvency of an insurer, the commissioner shall consider the insurer's experience in other states.

(b) The expense provisions included in the rates to be used by an insurer shall reflect the operating methods of the insurer and, so far as is credible, its own actual and anticipated expense experience.

(c) The rates may contain provision for contingencies and an allowance permitting a reasonable profit. In determining the reasonableness of profit, consideration should be given to all investment income attributable to premiums and the reserves associated with those premiums.

11734. (a) Every workers' compensation insurer shall adhere to a uniform experience rating plan filed with the commissioner by an advisory organization designated by the commissioner and subject to his or her disapproval.

(b) The commissioner shall designate an advisory organization to assist him or her in gathering, compiling, and reporting relevant statistical information, and to develop a classification system. An insurer may develop its own classification system upon which a rate may be made or adopt the classification system developed by the

designated advisory organization; provided, however, that any classification system developed by an insurer must be filed with the commissioner 30 days prior to its use. The commissioner shall disapprove a classification system filed by an insurer pursuant to this section if the insurer fails to demonstrate that the data thereby produced can be reported consistent with the uniform statistical plan or the classification system developed by the advisory organization. Every workers' compensation insurer shall record and report its workers' compensation experience to the designated advisory organization as set forth in the uniform statistical plan approved by the commissioner.

(c) The designated advisory organization shall develop and file manual rules, subject to the approval of the commissioner, reasonably related to the recording and reporting of data pursuant to the uniform statistical plan, uniform experience rating plan, and such classification systems as may be in effect. Every workers' compensation insurer shall adhere to the approved manual rules and experience rating plan in writing and reporting its business. No insurer shall agree with any other insurer or with an advisory organization to adhere to manual rules which are not reasonably related to the recording and reporting of data pursuant to the uniform statistical plan or classification system developed by the advisory organization.

11735. (a) Every insurer shall file with the commissioner all rates, rating plans, and supplementary rate information which are to be used in this state. The rates and supplementary information shall be filed not later than 30 days prior to the effective date. If the commissioner finds, after a hearing, that an insurer's rates require closer supervision because of the insurer's financial condition, as determined pursuant to Section 11733, the insurer shall file with the commissioner at least 30 days before the effective date, all of those rates and the supplementary rate information and supporting information as prescribed by the commissioner. Upon application by the filer, the commissioner may authorize an earlier effective date.

(b) Rates filed pursuant to this section shall be filed in the form and manner prescribed by the commissioner. All rates, supplementary information and any supporting information for rates filed under this article shall, as soon as filed, be open to public inspection at any reasonable time. Copies may be obtained by any person on request and upon payment of a reasonable charge.

(c) Upon the written application of the insurer and insured, stating its reasons therefor, filed with the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

(d) Notwithstanding Section 679.70, no advisory organization may issue nor may any insurer use any classification system or rate, as applied or used, that violates Section 679.71 or 679.72 or that violates the Unruh Civil Rights Act which shall also include any arbitrary economic discrimination by an insurer as a prohibited basis of

discrimination.

11736. The experience rating plan shall contain reasonable eligibility standards, provide adequate incentives for loss prevention, and shall provide for sufficient premium differentials so as to encourage safety.

11737. (a) The commissioner may disapprove a rate if the insurer fails to comply with the filing requirements under Section 11736.

(b) If the commissioner believes that rates may violate any of the requirements of this article, he or she shall call a hearing prior to any disapproval. The commissioner shall disapprove a rate if he or she finds that the rate would, if continued in use, tend to impair or threaten the solvency of an insurer or tend to create a monopoly in the market pursuant to Section 11732.

(c) Every insurer or advisory organization shall provide within this state reasonable means whereby any person aggrieved by the application of its filings may be heard on written request to review the manner in which the rating system has been applied in connection with the insurance afforded or offered. If the insurer or advisory organization fails to grant or reject the request within 30 days, the applicant may proceed in the same manner as if the application had been rejected. Any party affected by the action of the insurer or advisory organization on the request may, within 30 days after written notice of the action, appeal to the commissioner who, after a hearing held upon not less than 10 days' written notice to the appellant and to the insurer or advisory organization, may affirm, modify, or reverse such action.

(d) If the commissioner disapproves a rate, the commissioner shall issue an order specifying in what respects it fails to meet the requirements of this article and stating when within a reasonable period thereafter such rate shall be discontinued for any policy issued or renewed after a date specified in the order. The order shall be issued within 30 days after the close of the hearing or within such reasonable time extension as the commissioner may fix. The order may include a provision for premium adjustment for the period after the effective date of the order for policies in effect on that date.

(e) Whenever an insurer has no legally effective rates as a result of the commissioner's disapproval of rates or other act, the commissioner shall on request of the insurer specify interim rates for the insurer that are adequate to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by him or her. When new rates become legally effective, the commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds of less than ten dollars ($10) per policyholder shall not be required.

11738. A classification shall take no account of any physical impairment of employees or the extent to which employees may have persons dependent upon them for support.

11739. (a) An insurer shall not use any plan for the payment of dividends to policyholders by reason of a participating provision in a workers' compensation insurance policy which is unfairly discriminatory.

(b) Every insurer issuing workers' compensation insurance policies under the laws of this state shall file annually with the rating organization designated by the commissioner information relating to dividend payments made to its policyholders. Information filed shall be in sufficient detail to permit the rating organization to prepare for the commissioner's review and approval, a report showing in the aggregate for all companies premiums earned, losses incurred, and dividends paid the preceding calendar year under policies containing a participating provision, separately by premium size and loss ratio categories, as may reasonably be prescribed by the commissioner.

(c) Information submitted by individual companies pursuant to this section shall be confidential and not subject to public disclosure under any law of this state.

SEC. 3. Section 11750.1 of the Insurance Code is amended to read:

11750.1. As used in this article, unless a different meaning is manifest, the term:

(a) "Insurer" means every insurer authorized to transact workers' compensation insurance and employer's liability insurance incidental thereto and written in connection therewith in this state, including the State Compensation Insurance Fund;

(b) "Rating organization" means any organization which has as its primary object or purpose the collecting of rating information, the making of pure premiums and those rating plans authorized by Article 2 (commencing with Section 11730) for workers' compensation insurance and employer's liability insurance incidental thereto and written in connection therewith and presenting them to the commissioner for issuance or approval;

(c) "Insurance" means workers' compensation insurance and employer's liability insurance incidental thereto and written in connection therewith;

(d) "Willful" or "willfully" in relation to an act or omission which constitutes a violation of this article means with actual knowledge or belief that such act or omission constitutes such violation and with specific intent to commit such violation.

(e) "Advisory organization" means every person, group or organization, other than an insurer, whether located within or without this state, which prepares policy forms or underwriting rules incidental to or in connection with workers' compensation insurance and employer's liability insurance incidental thereto and written in connection therewith or which collects and furnishes to admitted insurers or rating organizations loss statistics or other statistical information and data relating to workers' compensation insurance and employer's liability insurance incidental thereto and written in

connection therewith and acts in an advisory capacity to such insurers or rating organizations as distinguished from a ratemaking capacity. No duly authorized attorney at law acting in the usual course of his profession shall be deemed to be an advisory organization.

(f) "Employer's liability insurance incidental thereto and written in connection therewith" means insurance of any liability of employers for injuries to, or death of, employees arising out of, and in the course of, employment when this insurance is incidental to, and written in connection with, the workers' compensation insurance issued to the same employer and covering the same employer interests.

SEC. 4. Section 11750.3 of the Insurance Code is amended to read:

11750.3. A rating organization may be organized pursuant to this article and maintained in this state for the following purposes:

(a) To provide reliable statistics and rating information in respect to workers' compensation insurance and employer's liability insurance incidental thereto and written in connection therewith.

(b) To collect and tabulate information and statistics for the purpose of developing pure premium rates to be submitted to the commissioner for issuance or approval.

(c) To formulate rules and regulations in connection with pure premium rates and the administration of classifications and rating systems.

(d) To inspect risks for classification or rate purposes and to furnish to the insurer and upon request of the employer and after notice to the insurer, to furnish to the employer full information concerning the rates applicable to the employer's insurance.

(e) To examine policies, daily reports, endorsements or other evidences of insurance for the purpose of ascertaining whether they comply with the provisions of law and to make reasonable rules governing their submission.

(f) Within one year after expiration of any workers' compensation insurance policy, to initiate test audits of insured employer's payrolls and insurer's audits of such payrolls to check the accuracy and reliability thereof, and to examine all records relative thereto and premises of insured employers.

(g) To exchange information and experience data with rating organizations, advisory organizations, and insurers in this and other states, in respect to ratemaking.

(h) To become a member or subscriber of any lawfully authorized ratemaking or advisory organization whenever membership in such organization is necessary or helpful to the rating organization.

(i) To perform all acts necessary, incidental or convenient to carry out the foregoing purposes or the provisions of this chapter relating to rating organizations.

SEC. 5. Section 11751.1 of the Insurance Code is amended to read:

11751.1. To obtain and retain a license, a rating organization shall provide satisfactory evidence to the commissioner that it shall do all of the following:

(a) Permit any insurer to become a member at a reasonable cost and without discrimination, or to withdraw therefrom.

(b) Neither have nor adopt any rule or exact any agreement, the effect of which would be to require any member as a condition of membership to adhere to any rates.

(c) Neither adopt any rule nor exact any agreement, the effect of which would be to prohibit or regulate the payment of dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders or members.

(d) Neither practice nor sanction any plan or act of boycott, coercion, or intimidation.

(e) Neither enter into nor sanction any contract or act by which any person is restrained from lawfully engaging in the insurance business.

(f) Notify the commissioner promptly of every change in its constitution or articles of incorporation, agreement of association, or in its bylaws, rules and regulations governing the conduct of its business; its list of members; and the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting the organization may be served.

(g) Agree that the commissioner or his or her representative may attend all meetings of the organization or any of its committees.

(h) Agree to permit four members of the public, two representing organized labor and two representing insured employers, to serve on the managing or governing committee of the organization as specified in Section 11751.35.

(i) Maintain reasonable records of the experience of its members and of the data, statistics or information collected or used in connection with the pure premium rates, classifications, manual rules, and policy and endorsement forms used by its members so that these records will be available at all reasonable times to enable the commissioner to determine whether the rating organization and its members comply with the provisions of this chapter applicable to them. These records shall be maintained in an office within this state. The commissioner may prescribe a uniform system for the keeping of the records which shall be reasonably adapted to the rating organization and its members' method of operation and which shall be applicable to all rating organizations licensed under this article and their members.

SEC. 6. Section 11752.8 is added to the Insurance Code, to read:

11752.8. All policies of insurance issued or renewed for the first time between January 1, 1995, and January 1, 1996, shall include a notice to the policyholder, in easily understandable language, containing a summary of the changes in the rating laws enacted during the 1993–94 Regular Session of the Legislature.

SEC. 7. Sections 1 to 5, inclusive of this act shall become operative January 1, 1995.

CHAPTER 229

An act to amend Sections 10217, 22830, 22835, 22836, 22840, 22840.5, 22843.5, 27333, and 27334 of, and to repeal Section 22844 of, the Elections Code, and to amend Sections 34902 and 36512 of the Government Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 29, 1993. Filed with Secretary of State July 29, 1993.]

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

SECTION 1. Section 10217 of the Elections Code is amended to read:

10217. The Secretary of State shall conduct a drawing of the letters of the alphabet, the result of which shall be known as a randomized alphabet. The procedure shall be as follows:

(a) Each letter of the alphabet shall be written on a separate slip of paper each of which shall be folded and inserted into a capsule. Each capsule shall be opaque and of uniform weight, color, size, shape, and texture. The capsules shall be placed in a container which shall be shaken vigorously in order to mix them thoroughly. The container then shall be opened and the capsules removed at random one at a time. As each is removed, it shall be opened and the letter on the slip of paper read aloud and written down. The resulting random order of letters constitutes the randomized alphabet which is to be used in the same manner as the conventional alphabet in determining the order of all candidates in all elections. For example, if two candidates with the surnames Campbell and Carlson are running for the same office, their order on the ballot will depend on the order in which the letters M and R were drawn in the randomized alphabet drawing.

(b) There shall be four drawings, three in each even-numbered year and one in each odd-numbered year. Each drawing shall be held at 11 a.m. on the date specified in this subdivision. The results of each drawing shall be mailed immediately to each county clerk or other official responsible for conducting an election to which the drawing is applicable who shall use it in determining the order on the ballot of the names of the candidates for office.

The first such drawing shall take place on the 82nd day before the April general law city elections and shall apply to those elections and any other elections held at the same time.

The second shall take place on the 82nd day before the direct primary in June of an even-numbered year and shall apply to all

candidates on the ballot in that election.

The third shall take place on the 82nd day before the November general election of an even-numbered year and shall apply to all candidates on the ballot in the November general election.

In the case of the June primary election and the November general election, the Secretary of State shall certify and transmit to each county clerk the order in which the names of federal and state candidates, with the exception of candidates for State Senate and Assembly, shall appear on the ballot. The clerk shall determine the order on the ballot of all other candidates using the appropriate randomized alphabet for that purpose.

The fourth drawing shall take place on the 82nd day before the first Tuesday after the first Monday in November of the odd-numbered year and shall apply to all candidates on the ballot in the elections held on that date.

In the event there is to be an election of candidates to a special district, school district, charter city, or other local government body at the same time as one of the four major election dates specified above and the last possible day to file nomination papers for the local election would occur after the date of the drawing for the major election date, the procedure set forth in Section 10217.5 shall apply.

(c) Each randomized alphabet drawing shall be open to the public. At least 10 days prior to a drawing, the Secretary of State shall notify the news media and other interested parties of the date, time, and place of it. The president of each statewide association of local officials with responsibilities for conducting elections shall be invited by the Secretary of State to attend each drawing or send a representative. The state chairman of each qualified political party shall be invited to attend or send a representative in the case of drawings held to determine the order of candidates on the June primary election ballot, the November general election ballot, or a special election ballot as provided for in subdivision (d).

(d) In the case of any special election for State Assembly, State Senate, or Representative in Congress, on the first weekday after the close of filing of nomination papers for the office, the Secretary of State shall conduct a public drawing to produce a randomized alphabet in the same manner as provided for in subdivisions (a) and (c). The resulting randomized alphabet shall be used for determining the order on the ballot of the candidates in both the primary election for the special election and in the special election.

SEC. 2. Section 22830 of the Elections Code is amended to read:

22830. (a) Not earlier than the 127th nor later than the 113th day before any municipal election to fill offices, the city clerk shall publish a notice of the election in the city pursuant to Section 6061 of the Government Code. The notice shall be headed "Notice of Election," and shall contain a statement of:

(1) The time of the election.

(2) The offices to be filled, specifying full term or short term, as the case may be.

(b) With respect to a special election to fill a vacancy in office, unless the city has enacted an ordinance as referred to in subdivision (b) of Section 22844, and the ordinance does not allow for appointment to fill the vacancy and requires the vacancy to be filled in the special election, the notice shall also state that if no one or only one person is nominated for an elected office, appointment to the elective office may be made as prescribed by Section 22844.

(c) If there is no newspaper of general circulation published and circulated in the city, the notice shall be typewritten and copies shall be posted conspicuously within the time prescribed in at least three public places in the city.

SEC. 3. Section 22835 of the Elections Code is amended to read:

22835. In case of a municipal election on any measure, the city clerk shall publish a synopsis of the measure in the city pursuant to Section 6061 of the Government Code. If there is no newspaper of general circulation published and circulated in the city, the notice shall be typewritten and copies shall be posted conspicuously within the time prescribed in at least three public places in the city. The notice shall be headed "Measure To Be Voted On" in conspicuous type and shall be substantially in the following form:

MEASURE TO BE VOTED ON

Notice is hereby given that the following measure is to be voted on at the _____ (general or special) municipal election to be held in the City of _____, on Tuesday, the _____ day of _____, 19__.

(Synopsis of measure or measures)

Dated _____

_____

City Clerk of the City of _____

The city clerk shall consolidate the notice of election and the notice of measure to be voted on into one notice if the measure was placed on the ballot before the notice of election is published pursuant to Section 22830.

SEC. 4. Section 22836 of the Elections Code is amended to read:

22836. Candidates may be nominated for any of the elective offices of the city in the manner following:

Not earlier than the 113th day nor later than the 88th day before a municipal election during normal office hours, as posted, the voters may nominate candidates for election by signing a nomination paper. Each candidate shall be proposed by not less than 20 nor more than 30 voters in a city of 1,000 registered voters or more, and not less than five nor more than 10 voters in a city of less than 1,000 registered voters, but only one candidate may be named in any one nomination paper. No voter may sign more than one nomination paper for the same office, and in the event the voter does so, that voter's signature

shall count only on the first nomination paper filed which contains the voter's signature. Nomination papers subsequently filed and containing that voter's signature shall be considered as though that signature does not appear thereon. Each seat on the governing body is a separate office. Any person registered to vote at the election may circulate a nomination paper. Where there are full terms and short terms to be filled, the term shall be specified in the nomination paper.

SEC. 5. Section 22840 of the Elections Code is amended to read:

22840. All nomination papers shall be filed with the city clerk during regular business hours as posted, not later than the 88th day before the election. Until that time, but no later than then, a candidate may withdraw his or her nomination paper after it is filed with the city clerk as provided in this section.

SEC. 6. Section 22840.5 of the Elections Code is amended to read:

22840.5. (a) Notwithstanding Sections 22836 and 22840, if nomination papers for an incumbent officer of the city are not filed by on the 88th day before the election, during normal business hours, as posted, the voters shall have until the 83rd day before the election during normal business hours, as posted, to nominate candidates, other than the person who was the incumbent on the 88th day, for that incumbent's elective office.

(b) This section is not applicable where there is no incumbent eligible to be elected. If this section is applicable, notwithstanding Section 22840, a candidate may withdraw his or her nomination paper until the 83rd day before the election during normal business hours, as posted.

SEC. 7. Section 22843.5 of the Elections Code is amended to read:

22843.5. (a) If, by 5 p.m. on the 88th day prior to the day fixed for a regularly scheduled municipal election or the 83rd day if an incumbent fails to file pursuant to Section 22840.5, (i) no one or only one person has been nominated for any office which is elected on a citywide basis, or (ii) no one or only one person is nominated to be elected from or by a legislative district, or (iii) in the case of any office or offices to be elected at large, the number of persons who have been nominated for those offices does not exceed the number to be filled at that election; or, if, by the 88th day, during normal business hours, as posted, before a municipal election to fill any vacancy in office, no one or only one person has been nominated for any elective office to be filled at that election, and the election is subject to Section 36512 of the Government Code, the city clerk shall submit a certificate of these facts to the governing body of the city and inform the governing body of the city that it may, at a regular or special meeting held before the municipal election, adopt one of the following courses of action:

(1) Appoint to the office the person who has been nominated.

(2) Appoint to the office any eligible elector if no one has been nominated.

(3) Hold the election if either no one or only one person has been

nominated. The city clerk shall publish a notice of the facts described in this section and the courses of action available under this subdivision. Publication shall be made pursuant to Section 6061 of the Government Code in any newspaper of general circulation as designated by the clerk.

After the fifth day following the date of posting or publication, the governing body of the city may make the appointment or direct an election to be held in the affected territory. The person appointed, if any, shall qualify and take office and serve exactly as if elected at a municipal election for the office.

Notwithstanding Section 23302, if, by the 75th day before the municipal election, no person has been appointed to office pursuant to paragraph (1) or (2), the election shall be held.

(b) Subdivision (a) shall not apply if, at the regularly scheduled municipal election, more than one person has been nominated to another city office to be elected on a citywide basis or, a city measure has qualified and is to be submitted to the voters at that municipal election.

(c) Notwithstanding Chapter 8 (commencing with Section 7300) of Division 6 or any other provision of the law to the contrary, if the governing body of a city makes an appointment pursuant to subdivision (a), the clerk shall not accept for filing any statement of write-in candidacy which is submitted after the appointment is made.

(d) Nothing in this section shall be construed to prevent a city from enacting an ordinance pursuant to Section 36512.1 of the Government Code requiring that a special election be held, or from enacting an ordinance pursuant to Section 36512.2 of the Government Code providing that a person appointed to fill a vacancy on the city council shall hold office only until the date of the special election, or both. Any ordinance or ordinances may allow for appointment consistent with subdivision (a) without requiring or providing for a special election.

In the event that an appointment to office is made in a particular legislative district pursuant to subdivision (a), that appointment shall not affect the conduct of the municipal election in other legislative districts of the city.

SEC. 8. Section 22844 of the Elections Code is repealed.

SEC. 9. Section 27333 of the Elections Code is amended to read:

27333. If the recall prevails and a majority of those voting on the question of filling the vacancy favor a special election for that purpose, the legislative body shall at its next regular meeting call an election to be held to fill the vacancy not less than 114 nor more than 129 days after the date of the order. If a regular municipal election is to occur not more than 144 nor less than 114 days from the date of canvassing the vote the legislative body may provide for filling the vacancy at that regular municipal election instead of at a special election. If a special election is not favored by a majority of the voters, the legislative body shall at once fill the vacancy by

appointment. In either case the person elected or appointed shall hold office for the unexpired term of the former incumbent.

The recalled officer may not be a candidate to succeed himself or herself at a special election held to fill the vacancy created by his or her recall or any other vacancy created by another recalled officer on the same governing board, nor may he or she be appointed by the legislative body to fill the vacancy created by his or her recall.

SEC. 10. Section 27334 of the Elections Code is amended to read:

27334. If a majority of the legislative body is recalled at the same election, the members recalled shall retain their offices until their successors are elected and qualified. Immediately after the canvass of votes of a recall election at which a majority of the legislative body is recalled, and regardless of the results of the vote on the question set forth in Section 27311, the clerk shall call a special election to fill the vacancies arising as a result of the recall election, which special election shall be held not less than 114 nor more than 129 days after the canvass of votes of the election at which they were recalled. The duties of the governing body of the city with respect to the holding of the special election shall be performed by the clerk. The vote of the special election shall be canvassed by the clerk, who shall declare the result. If the clerk has also been recalled, then the board of supervisors shall perform the clerk's duties.

SEC. 11. Section 34902 of the Government Code is amended to read:

34902. (a) If a majority of the votes cast on the proposition is for it, the office of mayor shall thereafter be an elective office, except as provided in subdivision (b). At the next succeeding general municipal election held in the city one of the offices of city councilperson, to be filled at the election, shall be designated as the office of mayor, to be filled at the election. The person elected at the election as mayor shall hold office from the Tuesday succeeding his or her election, and until his or her successor is elected and qualifies.

In the case of a vacancy in the office of the mayor for any reason, the council shall fill the vacancy by appointment. If the council fails to fill it within 30 days, it shall call an election to fill the vacancy to be held on the next established election date to be held not less than 114 days thereafter. A person appointed or elected to fill a vacancy shall hold office for the unexpired term of the former incumbent.

(b) After an office of elective mayor has been established, the city council may subsequently submit to the electors the question of whether or not to eliminate the elective office of mayor, pursuant to the procedures enumerated in this article, and thereby reestablish the procedure of selection of the mayor by the city council. If a majority of the votes cast on the proposition are in favor of the elimination of the office of elective mayor, the office shall be eliminated on the expiration date of the incumbent's term, and on the date the procedure of selection of the mayor by the city council shall be reestablished.

SEC. 12. Section 36512 of the Government Code is amended to

read:

36512. (a) If a vacancy occurs in an appointive office provided for in this chapter, the council shall fill the vacancy by appointment. A person appointed to fill a vacancy holds office for the unexpired term of the former incumbent.

(b) If a vacancy occurs in an elective office provided for in this chapter, the council shall, within 30 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. The special election shall be held on the next regularly established election date not less than 114 days from the call of the special election. A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent.

(c) Notwithstanding subdivision (b) and Section 34902, a city may enact an ordinance which:

(1) Requires that a special election be called immediately to fill every city council vacancy and the office of mayor designated pursuant to Section 34902. The ordinance shall provide that the special election shall be held on the next regularly established election date not less than 114 days from the call of the special election.

(2) Requires that a special election be held to fill a city council vacancy and the office of mayor designated pursuant to Section 34902 when petitions bearing a specified number of verified signatures are filed. The ordinance shall provide that the special election shall be held on the next regularly established election date not less than 114 days from the filing of the petition. A governing body which has enacted such an ordinance may also call a special election pursuant to subdivision (b) without waiting for the filing of a petition.

(3) Provides that a person appointed to fill a vacancy on the city council holds office only until the date of a special election which shall immediately be called to fill the remainder of the term. The special election may be held on the date of the next regularly established election or regularly scheduled municipal election to be held throughout the city not less than 114 days from the call of the special election.

(d) (1) Notwithstanding subdivision (b) and Section 34902, an appointment shall not be made to fill a vacancy on a city council if the appointment would result in a majority of the members serving on the council having been appointed. The vacancy shall be filled in the manner provided by this subdivision.

(2) The city council may call an election to fill the vacancy, to be held on the next regularly established election date not less than 114 days after the call.

(3) If the city council does not call an election pursuant to paragraph (2), the vacancy shall be filled at the next regularly established election date.

SEC. 13. Notwithstanding any other provision of law, the election to fill vacancies created on a city council due to a recall election held

in July of 1993, may be consolidated with the November 2, 1993, statewide special election.

SEC. 14. 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide elections officials sufficient time to accomplish the translation of voting materials as required by the latest amendments to the Federal Voting Rights Act (42 U.S.C. Sec. 1971 et seq.), to ensure that the federal requirements are implemented in time for the next scheduled elections, and to decrease the costs of conducting a local election for city council, it is necessary that this act take effect immediately.

CHAPTER 230

An act to amend Section 87406 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 87406 of the Government Code is amended to read:

87406. (a) This section shall be known, and may be cited, as the Milton Marks Postgovernment Employment Restrictions Act of 1990.

(b) No Member of the Legislature, for a period of one year after leaving office, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before the Legislature, any committee or subcommittee thereof, any present Member of the Legislature, or any officer or employee thereof, if the appearance or communication is made for the purpose of influencing legislative action.

(c) No elected state officer, other than a Member of the Legislature, for a period of one year after leaving office, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before any state administrative agency, or any officer or employee thereof, if the appearance or communication is for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For purposes of this subdivision, an appearance before a "state administrative agency" does not include an appearance in a court of law, before an administrative law judge, or before the Worker's Compensation Appeals Board.

(d) (1) No designated employee of a state administrative agency, any officer, employee, or consultant of a state administrative agency who holds a position which entails the making, or participation in the making, of decisions which may foreseeably have a material effect on any financial interest, and no member of a state administrative agency, for a period of one year after leaving office or employment, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person, by making any formal or informal appearance, or by making any oral or written communication, before any state administrative agency, or officer or employee thereof, for which he or she worked or represented during the 12 months before leaving office or employment, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For purposes of this paragraph, an appearance before a state administrative agency does not include an appearance in a court of law, before an administrative law judge, or before the Worker's Compensation Appeals Board. The prohibition of this paragraph shall only apply to designated employees employed by a state administrative agency on or after January 7, 1991.

(2) For purposes of paragraph (1), a state administrative agency of a designated employee of the Governor's office includes any state administrative agency subject to the direction and control of the Governor.

(e) The prohibitions contained in subdivisions (b), (c), and (d) shall not apply to any individual subject to this section who is or becomes an officer or employee of another state agency, board, or commission if the appearance or communication is for the purpose of influencing legislative or administrative action on behalf of the state agency, board, or commission.

(f) This section shall become operative on January 1, 1991, but only if Senate Constitutional Amendment No. 32 of the 1989–90 Regular Session is approved by the voters. With respect to Members

of the Legislature whose current term of office on January 1, 1991, began in December 1988, this section shall not apply until January 1, 1993.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 231

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 July 30, 1993. Filed with Secretary of State August 2, 1993.]

Senate Bill 76 appropriates funding to pay claims approved by the Board of Control.

I believe that one of the claims included is inappropriate and I am therefore reducing the total appropriated amount from $2,380,263.63 to $2,378,480.01.

I am reducing the General Fund appropriation from the Department of Health Services 1993 Budget by $1,783.62 to conform to my veto of claim number G260565. The Department of Health Services reports that the claimant could have avoided incurring these costs by verifying the types of health benefits available to her with the appropriate personnel rather than relying on the erroneous information provided by an unqualified fellow employee.

With this reduction, I approve Senate Bill 76.

PETE WILSON, Governor

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

SECTION 1. The sum of two million three hundred eighty thousand two hundred sixty-three dollars and sixty-three cents ($2,380,263.63) is hereby appropriated to the Secretary of the State Board of Control for the payment of claims accepted by the State Board of Control in accordance with the following schedule:

Total for Fund: Assembly Contingent Fund	$63.62
Total for Fund: Bank and Corporation Tax Fund	$48,898.27
Total for Fund: California Water Resources Development Bond Fund	$444.44
Total for Fund: Cigarette Tax Fund	$125.20
Total for Fund: Employment Development Department Contingent Fund	$1,387.39
Total for Fund: Federal Trust Fund	$1,053.12
Total for Fund: General Fund	$655,068.32
Total for Fund: Health Care Deposit Fund	$277.21
Total for Fund: Highway Users Tax Account	$1,121.17
Total for Fund: Inheritance Tax Fund	$1,002.98
Total for Fund: Item 0250-001-001(B), Budget Act 1993	$488.52
Total for Fund: Item 0250-001-001(C), Budget Act 1993	$610.00
Total for Fund: Item 0550-001-001(A), Budget Act 1993	$307.40
Total for Fund: Item 0690-001-001(B), Budget Act 1993	$434.00
Total for Fund: Item 0690-001-001(D), Budget Act 1993	$101.00
Total for Fund: Item 0750-001-001, Chapter 118, Statutes 1991	$555.00
Total for Fund: Item 0820-001-001(A), Budget Act 1993	$1,516.91
Total for Fund: Item 0820-001-001(C), Budget Act 1993	$75.49
Total for Fund: Item 0820-001-001(D), Budget Act 1993	$1,657.69
Total for Fund: Item 0820-001-001(E), Budget Act 1993	$6,227.38
Total for Fund: Item 0820-001-001(G), Budget Act 1993	$10,638.66
Total for Fund: Item 0840-001-001(A), Budget Act 1993	$4,491.89
Total for Fund: Item 0860-001-001(A), Budget Act 1993	$2,297.18
Total for Fund: Item 0860-001-001(B), Budget Act 1993	$45.93
Total for Fund: Item 0890-001-001(A), Budget Act 1993	$3.50
Total for Fund: Item 0950-001-001(A), Budget Act 1993	$8,615.48
Total for Fund: Item 1100-001-001(A), Budget Act 1993	$3,521.98
Total for Fund: Item 1230-001-735(A), Budget Act 1993	$177.23

Total for Fund: Item 1230-020-735(A), Chapter 118, Statutes 1991	$1,590.77
Total for Fund: Item 1270-001-380(A), Budget Act 1993	$2,800.00
Total for Fund: Item 1350-001-001, Budget Act 1993	$1,644.00
Total for Fund: Item 1600-001-780, Budget Act 1993	$100.00
Total for Fund: Item 1655-001-702(A), Budget Act 1993	$1,000.54
Total for Fund: Item 1655-001-702(B), Budget Act 1993	$1,107.72
Total for Fund: Item 1655-001-702(C), Budget Act 1993	$88.50
Total for Fund: Item 1730-001-001(A), Budget Act 1993	$1,242.00
Total for Fund: Item 1730-001-001(A), Chapter 118, Statutes 1991	$380.00
Total for Fund: Item 1760-001-666(B), Budget Act 1993	$17,374.56
Total for Fund: Item 1900-001-830(A), Budget Act 1993	$967.13
Total for Fund: Item 1920-001-835(A), Budget Act 1993	$500.00
Total for Fund: Item 1960-001-001(A), Budget Act 1993	$1,776.73
Total for Fund: Item 1960-001-001(B), Budget Act 1993	$7,221.00
Total for Fund: Item 1960-001-001(D), Budget Act 1993	$2,634.62
Total for Fund: Item 1970-011-001(B), Budget Act 1993	$23,000.00
Total for Fund: Item 2100-001-001(A), Budget Act 1993	$336.50
Total for Fund: Item 2200-001-001(B), Budget Act 1993	$75.00
Total for Fund: Item 2240-001-001(A), Budget Act 1993	$30,920.85
Total for Fund: Item 2240-001-001(D), Budget Act 1993	$64,456.29
Total for Fund: Item 2320-001-317(A), Budget Act 1993	$292.00
Total for Fund: Item 2600-001-042(B), Budget Act 1993	$625.00
Total for Fund: Item 2660-001-042(B), Budget Act 1993	$26,830.89
Total for Fund: Item 2660-001-042(E), Budget Act 1993	$292.34
Total for Fund: Item 2720-001-044(A), Budget Act 1993	$5,186.06
Total for Fund: Item 2720-001-044(A), Chapter 467,	

Statutes 1990	$4,370.00
Total for Fund: Item 2740-001-044(A), Budget Act 1993	$17,462.45
Total for Fund: Item 2740-001-044(F), Budget Act 1993	$768.00
Total for Fund: Item 2780-001-683(A), Budget Act 1993	$2,160.00
Total for Fund: Item 3280-001-387(C), Budget Act 1993	$2,635.00
Total for Fund: Item 3340-001-001(A), Budget Act 1993	$250.36
Total for Fund: Item 3360-001-465(A), Budget Act 1993	$3,763.00
Total for Fund: Item 3480-001-001(F), Budget Act 1993	$89,866.16
Total for Fund: Item 3480-001-133, Budget Act 1993	$4,100.00
Total for Fund: Item 3540-001-001(A), Budget Act 1993	$13,025.92
Total for Fund: Item 3540-001-001(B), Budget Act 1993	$5,309.79
Total for Fund: Item 3600-001-200(A), Budget Act 1993	$1,583.01
Total for Fund: Item 3600-001-200(C), Budget Act 1993	$35,554.41
Total for Fund: Item 3720-001-001(A), Budget Act 1993	$2,422.83
Total for Fund: Item 3790-001-001(A), Budget Act 1993	$8,646.61
Total for Fund: Item 3790-001-001(B), Budget Act 1993	$8,228.00
Total for Fund: Item 3860-001-001(A), Budget Act 1993	$15,207.92
Total for Fund: Item 3860-001-001(C), Budget Act 1993	$250.00
Total for Fund: Item 3860-001-001(E), Budget Act 1993	$2,419.45
Total for Fund: Item 3940-001-001(A), Budget Act 1993	$113.97
Total for Fund: Item 3960-001-014(A), Budget Act 1993	$2,929.84
Total for Fund: Item 4140-001-001(D), Budget Act 1993	$5,971.50
Total for Fund: Item 4170-001-001(C), Budget Act 1993	$89.12
Total for Fund: Item 4260-001-001(1), Budget Act 1993	$4,254.72
Total for Fund: Item 4260-001-001(1), Chapter 118, Statutes 1991	$94,208.40
Total for Fund: Item 4260-001-001(1), Chapter 587,	

Statutes 1992	$39,830.71
Total for Fund: Item 4260-001-001(2), Budget Act 1993	$7,246.77
Total for Fund: Item 4260-001-001(3), Budget Act 1993	$1,000.00
Total for Fund: Item 4300-001-001(A), Budget Act 1993	$27,679.46
Total for Fund: Item 4300-003-001(A), Budget Act 1993	$3,065.96
Total for Fund: Item 4300-101-001(A), Budget Act 1993	$32,724.62
Total for Fund: Item 4300-101-001(B), Budget Act 1993	$41,424.04
Total for Fund: Item 4440-001-001(A), Budget Act 1993	$8,440.15
Total for Fund: Item 4440-001-001(B), Budget Act 1993	$1,672.87
Total for Fund: Item 4440-011-001(A), Budget Act 1993	$3,775.86
Total for Fund: Item 4440-011-001(B), Budget Act 1993	$14,974.88
Total for Fund: Item 5100-001-870(A), Budget Act 1993	$60,289.82
Total for Fund: Item 5100-001-870(B), Budget Act 1993	$27,174.05
Total for Fund: Item 5100-001-870(C), Budget Act 1993	$4,080.00
Total for Fund: Item 5160-001-001(A), Budget Act 1993	$1,704.22
Total for Fund: Item 5180-001-001(A), Budget Act 1993	$1,016.94
Total for Fund: Item 5180-001-001(B), Budget Act 1993	$9,349.46
Total for Fund: Item 5180-001-001(C), Budget Act 1993	$179.98
Total for Fund: Item 5180-001-001(D), Budget Act 1993	$11,224.60
Total for Fund: Item 5180-001-001(F), Budget Act 1993	$630.53
Total for Fund: Item 5180-101-001(A), Budget Act 1993	$565.00
Total for Fund: Item 5180-121-001(A), Budget Act 1993	$200.00
Total for Fund: Item 5180-151-001(B), Budget Act 1993	$10,210.00
Total for Fund: Item 5240-001-001(A), Budget Act 1993	$352,913.21
Total for Fund: Item 5240-001-001(B), Budget Act 1993	$23,842.50

Total for Fund: Item 5440-001-001, Budget Act 1993	$1,040.40
Total for Fund: Item 5460-001-001(A), Budget Act 1993	$28,901.32
Total for Fund: Item 5460-001-001(B), Budget Act 1993	$50,445.68
Total for Fund: Item 5460-001-001(C), Budget Act 1993	$230.37
Total for Fund: Item 6100-001-001, Chapter 118, Statutes 1991	$507.67
Total for Fund: Item 6110-001-001(A), Budget Act 1993	$18,797.13
Total for Fund: Item 6110-001-001(D), Budget Act 1993	$425.00
Total for Fund: Item 6120-011-001(A), Budget Act 1993	$20.09
Total for Fund: Item 6360-001-407(A), Budget Act 1993	$226.00
Total for Fund: Item 6610-001-001(A), Budget Act 1993	$23,065.41
Total for Fund: Item 6610-001-001(E), Chapter 118, Statutes 1991	$925.00
Total for Fund: Item 6860-001-001(A), Budget Act 1993	$37.50
Total for Fund: Item 8100-001-001(A), Budget Act 1993	$3,000.00
Total for Fund: Item 8100-001-001(C), Budget Act 1993	$3,222.63
Total for Fund: Item 8260-101-001(B), Budget Act 1993	$3,000.00
Total for Fund: Item 8350-001-001(A), Budget Act 1993	$985.23
Total for Fund: Item 8350-001-001(C), Budget Act 1993	$7,274.94
Total for Fund: Item 8350-001-001(E), Budget Act 1993	$1,125.00
Total for Fund: Item 8350-001-001(H), Budget Act 1993	$489.69
Total for Fund: Item 8350-001-001(I), Budget Act 1993	$64.25
Total for Fund: Item 8560-001-510(A), Budget Act 1993	$1,250.60
Total for Fund: Item 8560-001-510(B), Budget Act 1993	$5,352.47
Total for Fund: Item 8570-001-001(A), Budget Act 1993	$3,199.75
Total for Fund: Item 8570-001-001(D), Budget Act 1993	$200.00
Total for Fund: Item 8570-001-001(G), Budget Act 1993	$73.50

Total for Fund: Item 8570-101-001(C), Budget Act 1993	$122.36
Total for Fund: Item 8620-001-001(B), Budget Act 1993	$40.00
Total for Fund: Item 8660-001-412(B), Budget Act 1993	$40.00
Total for Fund: Item 8940-001-001(A), Budget Act 1993	$1,956.82
Total for Fund: Motor Vehicle Account	$3.25
Total for Fund: Motor Vehicle Fuel Account	$65,598.12
Total for Fund: Motor Vehicle License Fee Account	$1,239.51
Total for Fund: Personal Income Tax Fund	$3,438.71
Total for Fund: Prison Industries Revolving Fund	$66.18
Total for Fund: Private Investigator Fund	$25.00
Total for Fund: Public Employees' Contingency Reserve Fund	$14,240.57
Total for Fund: Public Employees' Retirement Fund	$214.52
Total for Fund: Retail Sales Tax Fund	$43,796.37
Total for Fund: Service Revolving Fund	$4,776.29
Total for Fund: Special Deposit Fund	$13.93
Total for Fund: State Lottery Fund	$5,204.00
Total for Fund: Tax Relief and Refund Account	$102,657.14
Total for Fund: Teachers' Retirement Fund	$16,454.73
Total for Fund: Unclaimed Property Fund	$3,033.66
Total for Fund: Unemployment Administration Fund	$49.00
Total for Fund: Unemployment Compensation Disability Fund	$2,269.64
Total for Fund: Unemployment Fund	$6,708.65

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 pay claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 232

An act to repeal and add Section 1212 of the Insurance Code, relating to insurance.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 1212 of the Insurance Code is repealed.

SEC. 2. Section 1212 is added to the Insurance Code, to read:

1212. (a) Any domestic incorporated insurer having aggregate capital and surplus as of the preceding December 31 of at least twenty-five million dollars ($25,000,000), after investing an amount equal to its required minimum paid-in capital in securities specified in Article 3 (commencing with Section 1170), may purchase insurance futures contracts, purchase call options on insurance futures contracts, and sell put options on insurance futures contracts in bona fide hedging transactions, subject to the limitations set forth in this section.

Domestic insurers may sell insurance futures contracts, sell call options on insurance futures contracts, and purchase put options on insurance futures contracts only for the purpose of a closing transaction. No other sales of insurance futures contracts, sales of call options on insurance futures contracts, or purchases of put options on insurance futures contracts are authorized under this section.

(b) For purposes of this section, "insurance futures contracts" mean contracts based on indices of loss performance of insurance contracts and traded in accordance with the rules and procedures of a board of trade regulated by the Commodity Futures Trading Commission, or any successor agency, and subject to the terms and conditions of the Commodity Exchange Act (7 U.S.C. Sec. 1 et seq.), as amended. For purposes of this section, "put and call options on insurance futures contracts" mean put or call options, regulated in accordance with the rules of the board of trade on which the options are traded, on insurance futures contracts.

(c) No domestic insurer may purchase insurance futures contracts, purchase call options on insurance futures contracts, or sell put options on insurance futures contracts unless the insurance futures contracts are required to be settled in cash within nine months after the end of the loss period underlying the insurance futures contracts, and the relevant type of insurance futures contracts have attained an average daily trading volume of at least 250 contracts and an open interest of 1,000 contracts as reported by the relevant board of trade for the one-month period prior to the insurer initiating the transaction.

(d) A transaction will be considered a bona fide hedging transaction only if, upon execution, (1) the insurance futures

contract or option is specifically identified with a group of insurance policies issued or reasonably expected to be issued by the insurer in the ordinary course of business and (2) the insurer's relevant underwriting or insurance-related risk exposures bear a correlation to the risk exposures of the index underlying the insurance futures contracts or options thereon entered into as part of the hedging transaction. For purposes of this section, "correlation" means that the loss experience of the policies hedged is, at the date of purchase of the insurance futures contracts, expected to develop similarly to the loss experience of the policies underlying the insurance futures contract when exposed to similar occurrences and conditions. The insurer shall identify this hedging transaction and the policies and written premiums hedged on its books and records and any insurance futures contract or option position shall be terminated as soon as possible after this correlation does not exist.

(e) Notwithstanding other limitations of this section, an insurer may hold open insurance futures contracts and put and call options on insurance futures contracts which do not exceed the equivalent of 75 percent of the insurer's written premium for each line of business, as designated in the annual statement required by Section 923, being hedged pursuant to this section. For purposes of this subdivision, equivalence shall be based on the par dollar value of the insurance futures contracts and an insurer's written premium shall be measured based on the loss period reflected in the underlying futures contracts.

(f) A domestic insurer shall not enter into hedging transactions in insurance futures contracts or options on insurance futures contracts unless the transaction is authorized or approved by the insurer's board of directors or a committee designated by the board. This authorization or approval shall be entered on the records or minutes of the domestic insurer and, if made upon the authority of a committee of directors, shall be submitted to the full board of directors for ratification at their next meeting. The entry of approval shall show the fact of entering into the hedging transaction, the specific policies hedged, the size of the hedge as measured pursuant to subdivision (e), and the name of each director voting to approve the hedging transaction.

(g) The commissioner may, in his or her discretion, by written order require the disposal of any insurance futures contracts or options on insurance futures contracts made in violation of this section. Pending a disposal pursuant to an order by the commissioner, the insurance futures contracts or options on insurance futures contracts shall not be given any effect on any statement required by this code purporting to show the financial condition of the domestic insurer or in measuring the financial condition of the domestic insurer for the purpose of determining whether the domestic insurer is solvent or insolvent. The commissioner may also, for good cause shown, order the disposal of any insurance futures contract or option on insurance futures

contracts.

(h) Insurance futures contracts and put and call options on insurance futures contracts shall not be deemed to be investments for purposes of any investment limitations or authorizations contained in this code.

(i) The commissioner may adopt rules and guidelines establishing standards and requirements relative to practices authorized in this section. The commissioner shall issue a bulletin by June 30, 1994, setting forth the accounting, reporting, and valuation practices and procedures for insurance futures contracts. However, a bulletin shall not be required if, prior to June 30, 1994, accounting practices and procedures are officially promulgated by the National Association of Insurance Commissioners. The bulletin issued pursuant to this subdivision shall not be superseded by any action of the National Association of Insurance Commissioners that conflicts with or that fails to address matters addressed by the bulletin. No insurer shall engage in hedging transactions with respect to insurance futures contracts or put and call options on insurance futures contracts until the earlier of the date a bulletin is issued or the date accounting practices and procedures are officially promulgated by the National Association of Insurance Commissioners and except pursuant to this section.

CHAPTER 233

An act to add Chapter 2.5 (commencing with Section 6350) to Division 3 of the Public Utilities Code, relating to utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. In enacting this chapter, the Legislature finds and declares that changes in the public utility regulatory environment have inadvertently provided for the potential erosion of the franchise fee base upon which local government has become quite dependent for its financial stability. Further, the Legislature has determined that there exists the possibility that these same regulatory changes may not ensure equitable treatment between customers purchasing gas or electricity from a utility and customers purchasing gas or electricity from other sources. Therefore, the purpose of this act is to provide protection for the financial integrity of local government and to ensure that all customers purchasing gas or electricity who transport gas or electricity on transmission systems that are subject to a franchise agreement share equitably in the burden of compensating local government for the private use of

public lands.

SEC. 2. Chapter 2.5 (commencing with Section 6350) is added to Division 3 of the Public Utilities Code, to read:

CHAPTER 2.5. MUNICIPAL PUBLIC LANDS USE SURCHARGE

Article 1. Intent

6350. There is hereby created a surcharge to be applied to natural gas and electricity transported over utility and nonutility transmission or distribution systems, or both, constructed under, along, across, or upon the public streets, ways, alleys, and places within a municipality, to replace, but not increase, franchise fees that would have been collected pursuant to this division if not for changes in the regulatory environment such as the "unbundling" of the gas industry.

Article 2. Definitions

6351. As used in this chapter:

(a) "Municipality" includes counties.

(b) "Energy transporter" means and includes every utility and nonutility owner or operator, or both, of a natural gas or electric transmission or distribution system, or both, subject to a franchise agreement executed pursuant to this division, provided that proprietary gas pipelines whose franchise fees are set forth in Article 2 (commencing with Section 6231) of Chapter 2 shall not be covered by this chapter.

(c) "Transportation customer" means every person, firm, or corporation, other than the State of California or a political subdivision thereof, transporting gas or electricity on an energy transporter's transmission or distribution system, or both, when the gas or electricity was purchased by the transportation customer from a third party. Transportation customer shall not include one gas utility transporting gas, for end use in its commission designated service area through another gas utility's service area, nor shall transportation customer include a utility transporting its own gas through its own gas transmission or distribution system, or both, for purposes of generating electricity or for use in its own operations.

(d) "Surcharge" means a municipal surcharge for the use of public lands by a transportation customer as defined in subdivision (c).

Article 3. Surcharge

6352. (a) Notwithstanding any other provision of law, a transportation customer who receives transportation service on a natural gas or electric transmission or distribution system, or both, subject to a franchise agreement executed pursuant to this division

from an energy transporter shall be subject to a surcharge as defined in Section 6353. Notwithstanding any other provision of this chapter, no county shall impose a surcharge pursuant to this chapter in an incorporated area.

(b) Notwithstanding subdivision (a), the surcharge assessed for gas used to generate electricity by a nonutility facility shall be the same as the surcharge assessed for gas used to generate electricity by the electric utility for that quantity of gas described in Section 454.4, and the surcharge shall not apply to the electric output of a cogeneration facility which is sold to an electric utility.

(c) Nothing in this chapter permits a municipality to recover surcharges imposed pursuant to this chapter on the commodity cost of gas or electricity transported for transportation customers in addition to franchise fees calculated on the imputed value of the same quantities of gas or electricity. If a municipality has a franchise agreement with an energy transporter that requires the energy transporter to pay a franchise fee based upon an imputed value for the commodity cost of gas or electricity transported but not sold by the energy transporter, the energy transporter may apply the surcharge imposed by this chapter toward the amount of the franchise fee due under the franchise agreement.

(d) Nothing in this chapter shall in any way affect the rights of the parties to existing franchise agreements executed pursuant to this division that are in force on the effective date of this chapter.

(e) Notwithstanding subdivision (a), the surcharge shall not apply to corporations transporting natural gas pursuant to a "gas transportation only" agreement in effect prior to January 1, 1986.

(f) Notwithstanding subdivision (a), an energy transporter of gas that is required to obtain a franchise agreement with a municipality, and that is subject to the jurisdiction of the Federal Energy Regulatory Commission, shall not be required to collect the surcharge imposed by this chapter, but shall be required to negotiate with the municipality under the provisions of this division, franchise fees that recover amounts equivalent to those amounts that would otherwise have been recovered pursuant to this chapter.

6353. For purpose of calculating the surcharge required in Section 6352, the energy transporter shall do the following:

(a) For each transportation customer, determine the volume of transported gas or electricity, in therms or kilowatt hours respectively, subject to the surcharge.

(b) Determine the weighted average cost of the energy transporter's gas or electricity. For gas, the energy transporter will use its tariffed core subscription weighted average cost of gas (WACOG) exclusive of any California sourced franchise fee factor. For an energy transporter that does not provide gas or electricity at a commission tariffed rate, the energy transporter will use the equivalent tariffed rate of the commission regulated energy transporter operating in the same service area.

(c) Determine a product for each transportation customer by

multiplying the volume determined pursuant to subdivision (a) by the weighted average cost determined pursuant to subdivision (b).

(d) Determine the surcharge applicable to each transportation customer by multiplying the product determined pursuant to subdivision (c) by the sum of the franchise fee factor plus any franchise fee surcharge authorized for the energy transporter as approved by the commission in the energy transporter's most recent proceeding in which those factors and surcharges were set. Energy transporters not regulated by the commission shall multiply the product determined in subdivision (c) by the franchise fee rate contained in their individual franchise agreements in effect in each municipality.

(e) The surcharge assessed pursuant to this chapter applies only to the end use point.

Article 4. Rights, Restrictions, and Compensation

6354. (a) Surcharges calculated pursuant to Section 6353 shall be recovered from the transportation customer through the energy transporter's normal billing process.

(b) Surcharges collected from the transportation customer shall be remitted to the municipality granting a franchise pursuant to this division in the manner and at the time prescribed for payment of franchise fees in the energy transporter's franchise agreement. In recognition of costs to be incurred by energy transporters in administering the surcharge established by this chapter, the energy transporter may retain interest earned on cash balances resulting from the timing difference between the monthly collection of the surcharge and the remittance thereof, as required by individual franchise agreements.

(c) In the event that payment on a transportation customer account becomes more than 90 days delinquent, the energy transporter shall, within 30 days, notify the municipality of the delinquency and provide information on the name and address of the delinquent transportation customer and the surcharge amount owed. The energy transporter shall not be liable for these delinquent surcharges.

(d) The municipality, including its authorized officials, employees and agents shall use the delinquent transportation customer information only for the purpose of enforcing the surcharge and shall not disclose the information to any officials, employees, agents, or any third parties who are not responsible for and involved in the enforcement of the municipality's franchise agreements. Nothing herein precludes the municipality, through appropriate officials, employees or agents, from contacting the transportation customers in order to collect any surcharges due from the transportation customer.

(e) By March 31 of each year, every person, firm, or corporation that transports gas or electricity to any other person, firm, or

corporation within a municipality, upon request of the municipality, shall provide the names and addresses of each of its transportation customers and such other information for the preceding calendar year as may be necessary for the municipality to enforce its taxes and fees.

(f) Notwithstanding any other provision of law, any transportation customer information provided by an energy transporter to a municipality pursuant to this chapter or pursuant to a utility user tax ordinance is not a public record within the definitions contained in the Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(g) In acknowledgment of the potential for systems startup costs to be incurred by the energy transporters in implementing this chapter, authorization is hereby granted for each energy transporter to retain 10 percent of the added fees collected pursuant to this chapter on transported gas or electricity for systems startup costs not to exceed seven hundred fifty thousand dollars ($750,000), provided that the portion of collections withheld by the energy transporter shall be apportioned to all municipalities based upon each municipality's share of total franchise fees allocated by the transporter in the prior calendar year.

(h) Surcharges collected pursuant to this chapter shall be separately identified on the transportation customer's normal bill. At the request of the energy transporter, the municipality shall publish notice in a newspaper of general circulation announcing the change in method of collecting franchise fees brought about by deregulation. Energy transporters may send out notice to transportation customers announcing the change in method of collecting franchise fees through the surcharge. The mailing costs incurred by the energy transporter shall be considered to be part of the implementation costs referenced in subdivision (g).

(i) In the case of partial payment by a transportation customer, the transportation customer payment shall first be applied to the energy transporter charges. Only after all energy transporter charges have been satisfied, shall remaining payment amounts be used to satisfy the municipality's surcharge requirement.

(j) Energy transporter collection of the surcharge shall begin on or before April 1, 1994. During the interim period between expiration of the targeted sales program and implementation of the energy transporters surcharge collection program, upon request of the municipality, the energy transporter shall provide the municipality with a monthly list of the names and addresses of the transportation customers within the municipality's jurisdiction, the volume of transported gas in therms, the applicable tariffed core subscription weighted average cost of gas (WACOG) exclusive of any California sourced franchise factor, and the franchise fee factor authorized by the commission to enable the municipality to collect the surcharge directly from the transportation customers.

Notwithstanding any other provision of law, except as provided in Section 6352, a municipality is hereby authorized to collect an interim surcharge computed in accordance with Section 6353 until the energy transporter commences billing of the surcharge pursuant to this chapter.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

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

It is anticipated that, in August 1993, the California Public Utilities Commission will terminate the "Targeted Sales Program" which has required local gas utilities to collect, on behalf of municipalities, the equivalent of franchise fees on gas marketed by nonutility marketers and brokers. This program may be replaced by "capacity brokering," which would no longer impose that requirement on gas utilities. It is estimated that on a statewide basis, municipalities stand to lose up to fifty million dollars ($50,000,000) in annual franchise fee revenues. Therefore, it is necessary that this act take effect immediately.

CHAPTER 234

An act to amend Section 9 of the Monterey County Water Resources Agency Act (Chapter 1159 of the Statutes of 1990), relating to the Monterey County Water Resources Agency.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 9 of the Monterey County Water Resources Agency Act (Chapter 1159 of the Statutes of 1990) is amended to read:

Sec. 9. The agency has perpetual succession and may do any of the following:

(a) Sue and be sued in the name of the agency in all actions and proceedings in all courts and tribunals of competent jurisdiction.

(b) Adopt a seal and alter it at pleasure.

(c) Acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and hold, use, enjoy, sell, let, and dispose of real and personal property of every kind, including lands, structures, buildings, rights-of-way, easements, and privileges, and construct, maintain, alter, and operate any and all works or improvements, within or outside the agency, necessary or proper to carry out any of the purposes of this act and complete, extend, add to, alter, remove, repair, or otherwise improve any works, or improvements, or property acquired by it as authorized by this act.

(d) (1) Store water in surface or underground reservoirs within or outside the agency for the common benefit of the agency of any zones affected.

(2) Conserve and reclaim water for present and future use within the agency.

(3) Appropriate and acquire water and water rights, and import water into the agency and conserve within or outside the agency, water for any purpose useful to the agency.

(4) Commence, maintain, intervene in, defend, or compromise, in the name of the agency on behalf of the landowners therein, or otherwise, and assume the costs and expenses of any action or proceeding involving or affecting the ownership or use of waters or water rights within or outside the agency, used or useful for any purpose of the agency or of common benefit to any land situated therein, or involving the wasteful use of water therein.

(5) Commence, maintain, intervene in, defend, and compromise and to assume the cost and expenses of any and all actions and proceedings.

(6) Prevent interference with, or diminution of, or declare rights in, the natural flow of any stream or surface or subterranean supply of waters used or useful for any purpose of the agency or of common benefit to the lands within the agency or to its inhabitants.

(7) Prevent unlawful exportation of water from the agency.

(8) Prevent contamination, pollution, or otherwise rendering unfit for beneficial use the surface or subsurface water used or useful in the agency, and commence, maintain, and defend actions and proceedings to prevent any interference with those waters which endangers or damages the inhabitants, lands, or use of water in, or flowing into, the agency. However, the agency may not intervene or take part in, or pay the cost or expenses of, actions or controversies between the owners of lands or water rights which do not affect the interests of the agency.

(e) Control the flood and storm waters of the agency and the flood and storm waters of streams that have their sources outside the agency, but which streams and the flood waters thereof, flow into the agency, and conserve those waters for beneficial and useful purposes of the agency by spreading, storing, retaining, and causing to percolate into the soil within or outside the agency, or save or conserve in any manner all or any of those waters and protect from damage from those flood or storm waters the watercourses,

watersheds, public highways, life, and property in the agency, and the watercourses of streams outside the agency flowing into the agency.

(f) Cooperate and act in conjunction with, the state, or any of its engineers, officers, boards, commissions, departments, or agencies, or with the United States, or any of its engineers, officers, boards, commissions, departments, or agencies, or with any public or private corporation, or with the county, in the construction of any work for the controlling of flood or storm waters of, or flowing into, the agency, or for the protection of life or property therein, or for the purpose of conserving those waters for beneficial use within the agency, or in any other works, acts, or purposes provided for herein, and adopt and carry out any definite plan or system of work for any such purpose.

(g) Carry on technical and other necessary investigations, make measurements, collect data, make analyses, studies, and inspections pertaining to water supply, water rights, control of flood and storm waters, and use of water both within and without the agency relating to watercourses or streams flooding in or into the agency. For those purposes, the agency has the right of access through its authorized representatives to all properties within the agency and elsewhere relating to watercourses and streams flowing in or into the agency. The agency, through its authorized representatives, may enter upon those lands and make examinations, surveys, and maps thereof.

(h) (1) Enter upon any land, to make surveys and locate the necessary works of improvement and the lines for channels, conduits, canals, pipelines, roadways, and other rights-of-way.

(2) Acquire by purchase, lease, contract, gift, devise, or other legal means all lands and water and water rights and other property necessary or convenient for the construction, use, supply maintenance, repair, and improvement of those works, including works constructed and being constructed by private owners, lands for reservoirs for storage of necessary water, and all necessary appurtenances, if necessary to that end, and acquire and hold in the name of the state, the capital stock of any mutual water company or corporation, domestic or foreign, owning water or water rights, canals, waterworks, franchises, concessions, or rights, if the ownership of the stock is necessary to secure a water supply required by the agency or any part thereof, and if when holding that stock, the agency is entitled to all the rights, powers, and privileges, and is subject to all the obligations and liability conferred or imposed by law upon other holders of that stock in the same company.

(3) Perform acts necessary or proper for the performance of any agreement with the United States, or any state, county, city, district of any kind, public or private corporation, association, firm, or individual, or any number of them, for the joint acquisition, construction, leasing, ownership, disposition, use, management, maintenance, repair, or operation of any rights, works, or other property of a kind which might be lawfully acquired or owned by the

agency.

(4) Acquire the right to store water in any reservoirs, or carry water through any canal, ditch, or conduit not owned or controlled by the agency.

(5) Grant to any owner or lessee the right to the use of any water or right to store water in any reservoir of the agency, or to carry water through any tunnels, canal, ditch, or conduit of the agency.

(6) Perform acts necessary or proper for the performance of any agreement with any district of any kind, public or private corporation, association, firm, or individual, or any number of them for the transfer or delivery to any district, corporation, association, firm, or individual of any water right or water pumped, stored, appropriated, or otherwise acquired or secured, for the use of the agency, or for the purpose of exchanging the same for other water, water right, or water supply in exchange for water, water right, or water supply to be delivered to the agency by the other party to the agreement.

(7) Cooperate with, and act in conjunction with, the state, or any of its engineers, officers, boards, commissions, departments, or agencies, or with the United States, or any of its engineers, officers, boards, commissions, departments, or agencies, or with any public or private corporation, in the construction of any work for controlling flood or storm waters of streams in or running into the agency, or for the protection of life or property therein, or for the purpose of conserving the waters for beneficial use within the agency, or for the protection, enhancement, and use of groundwater within the agency, or in any other works, acts, or purposes provided for herein, and adopt and carry out any definite plan or system of work for any such purpose.

(i) Incur indebtedness and issue bonds in the manner provided in this act.

(j) Cause taxes or assessments to be levied and collected in order to pay any obligation of the agency and carry out any of the purposes of this act.

(k) Make contracts, and employ labor, and do all acts necessary for the full exercise of all powers vested in the agency or any of the officers thereof, by this act.

(*l*) Buy, provide, sell, and deliver water.

(m) Exchange water.

(n) Develop and distribute water to persons in exchange for ceasing or reducing groundwater extractions, and prevent groundwater extractions which are determined to be harmful to the groundwater basin.

(o) Transport, reclaim, purify, desalinate, treat, or otherwise manage and control water for the beneficial use of persons or property within the agency.

(p) Construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir operated or contracted to be operated by the agency whether within or without

the agency, subject to the limitations as to eminent domain use for recreational purposes outside the agency set forth in Section 4, and provide by ordinance regulations binding upon all persons to govern the use of those facilities, including regulations imposing reasonable charges for the use thereof.

(q) Regulate, inspect, and license all structures, including docks and wharves, or structures used as docks or wharves, and their anchorage or mooring system, that float on, or are designed to float on, the surface of reservoirs operated or contracted to be operated by the agency or that are located within the area subject to its flowage easement, or that are located on real property of the agency, and charge a reasonable fee for licensing those structures.

Any of those structures that are unlicensed more than 30 days after notice to license the structure has been posted thereon, or any unlicensed structure that is neither anchored nor moored, or is found on property owned in fee by the agency, is a nuisance. The agency may have injunctive relief for any of those nuisances, or may summarily abate any untended structure floating on the surface of the reservoir that is neither anchored nor moored, or any untended structure found on property owned in fee by the agency. It is a misdemeanor to maintain, anchor, or moor or suffer to be maintained, anchored, or moored on property of which one is possessed any unlicensed structure when that structure is required to be licensed pursuant to this act. The misdemeanor is punishable by a fine not to exceed five hundred dollars ($500), or by imprisonment in the county jail for not to exceed six months, or by both that fine and imprisonment. Each day of violation of these provisions constitutes a separate offense.

(r) Use any part of its water, and any part of its works, facilities, improvements, and property used for the development, storage, and transportation of water pursuant to this section to provide, generate, and deliver hydroelectric power, and acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient therefor.

(s) (1) Pursuant to contract, provide, generate, sell, and deliver hydroelectric power to the United States or any board, department, or agency thereof, to the state for the purposes of the State Water Resources Development System, and to any public agency, public utility, private corporation, or other person or public entity, or any combination thereof, engaged in the sale of electric power.

(2) For the purposes of this subdivision, "public agency" means a city, county, city and county, district, local agency, public authority, or public corporation.

(t) Construct, maintain, and operate works, facilities, improvements, and property of the agency useful or necessary for the provision, generation, and delivery of hydroelectric power, pursuant to subdivisions (r) and (s).

(u) Prevent the export of groundwater from the Salinas River Groundwater Basin, except that use of water from the basin on any

part of Fort Ord shall not be deemed an export. Nothing in this act prevents the development and use of the Seaside Groundwater Basin for use on any lands within or outside that basin.

(v) Require the installation of flowmeters on groundwater extraction facilities and water distribution system service connections in the County of Monterey, except that no public entity may use flowmeters installed pursuant to this section on privately owned groundwater extraction facilities or service connections, or the data obtained from those flowmeters, in connection with the imposition or collection of any taxes, or for any other purpose other than one or more of the following:

(1) To facilitate the collection of water supply and water use data.

(2) To facilitate the development and implementation of water management plans, including, but not limited to, water allocation plans, water conservation plans, and water supply projects.

(3) (A) To impose fees, charges, water tolls, or assessments solely to pay for the planning, development, acquisition, construction, operation, and maintenance of water supply projects, and for other water management activities, including, but not limited to, the development and implementation of water allocation or conservation plans.

(B) The fees, charges, water tolls, or assessments described in subparagraph (A) may be imposed only to pay for projects and activities that benefit the land on which the water extraction facility is located or the land on which the water is used.

(C) The fees, charges, water tolls, or assessments described in subparagraph (A) that are imposed to pay for water supply projects may only be imposed to pay for projects that commence operation on or after January 1, 1994.

CHAPTER 235

An act to amend Section 1202.1 of the Elections Code, relating to elections.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 1202.1 of the Elections Code is amended to read:

1202.1. (a) Notwithstanding any other provision of the law, a special absentee voter who qualifies pursuant to this section may apply for a special absentee voter ballot. Any application made pursuant to this section which is received by the elections official prior to the 60th day before the election shall be kept and processed on or after the 60th day before the election.

(b) If a special absentee voter submits an application containing a statement that provides that due to military or other contingencies that preclude normal mail delivery, as specified by the voter, the voter cannot vote an absentee ballot during the normal absentee voting period, and the voter is otherwise qualified to vote as a special absentee voter, the elections official shall immediately send the voter a ballot in a form prescribed and provided by the Secretary of State, or a ballot and voter registration card if required by Section 1200. The elections official shall send with the ballot a list of all candidates who have qualified for the ballot by the 60th day before the election and a list of all measures that are to be submitted to the voters and on which the voter is qualified to vote. The voter shall be entitled to write in the name of any specific candidate seeking nomination or election to any office listed on the ballot.

(c) Notwithstanding Section 17101 or any other provision of law, any name written upon a ballot for a particular office pursuant to subdivision (b) shall be counted for the office or nomination.

(d) The elections official shall receive and canvass special absentee voter ballots described in this section under the same procedure as absent voter ballots, insofar as that procedure is not inconsistent with this section, except that prior to election day, special absentee voter ballots shall be secured separately in a sealed ballot box reserved for that purpose.

(e) In the event that a voter executes a special absentee ballot pursuant to this section and the military or other contingency does not exist during the normal absentee voting period, that voter may make an application for an absentee ballot pursuant to Sections 1200 and 1201. If an application is made pursuant to this subdivision, the clerk shall reject the voted ballot previously cast and process the application in accordance with Chapter 1 (commencing with Section 1000).

(f) Notwithstanding any other provision of law, a special absentee voter who qualifies pursuant to this section may, by facsimile transmission, register to vote and apply for an absent voter's ballot. Upon request, the elections official shall send to the qualified special absentee voter either by mail or facsimile transmission the special absentee ballot or, if available, an absent's voter ballot pursuant to Chapter 1 (commencing with Section 1000).

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

CHAPTER 236

An act to add Sections 1798.182 and 1798.183 to the Health and Safety Code, relating to poison control centers.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 1798.182 is added to the Health and Safety Code, to read:

1798.182. The authority may authorize a poison control center, instead of providing poison control services directly, to contract with an entity in another state to provide poison control services during any part of the 24-hour period for which the center is required to provide poison control services, if both of the following conditions are met:

(a) The center is unable to provide poison control services 24 hours a day.

(b) The entity in the other state provides substantially the same poison control services as required under Section 1798.180, and regulations adopted pursuant thereto. An entity in another state shall not be deemed not to provide substantially the same poison control services solely because the staff of the entity is licensed in the other state, and not licensed in the State of California.

SEC. 2. Section 1798.183 is added to the Health and Safety Code, to read:

1798.183. The authority may authorize a poison control center to provide poison control services for fewer than 24 hours a day, as the authority deems necessary.

CHAPTER 237

An act to add Section 42103.3 to the Education Code, relating to school district budgets, and making an appropriation therefor.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. It is the intent of the Legislature under this act to improve the collection of budget and accounting data for local educational agencies so as to do all of the following:

(a) Increase the development of budget information that will permit the public to become more informed about school district revenues and expenditures, including program and salary information, and thereby improve public participation in public hearings on school district budgets.

(b) Reduce the current demands upon local educational agencies to prepare various reports for fiscal accountability purposes, so that additional time can be directed to addressing the very real financial problems facing public schools in California.

(c) Ensure the accurate and timely reporting of statewide financial data to the federal government for purposes of computing accurate allocations and entitlements of federal funds to California.

(d) Ensure that adequate accounting flexibility exists to support increased budgetary decisionmaking at the schoolsite level.

(e) Support laws that were recently enacted to improve the financial integrity and stability of local educational agencies.

(f) Expand the fiscal information capability of the State Department of Education without adding costly or time-consuming reporting requirements.

SEC. 2. Section 42103.3 is added to the Education Code, to read:

42103.3. In the 1994–95 fiscal year, and in each fiscal year thereafter, the State Department of Education shall request, from a representative sampling of school districts throughout the state, a copy of the budget information provided to the public by each of those districts regarding school operating costs and revenue projections. Based on that information, the department shall communicate to all school districts any improvements suggested by the department to make the information more useful to school districts and to members of the public.

SEC. 3. (a) The State Department of Education shall contract for the development of a model accounting and budget structure for use by school districts and county offices of education. The model structure shall be completed no later than July 1, 1994, and shall include, but not be limited to, both of the following:

(1) A method of program cost accounting that separately identifies costs by major object of expenditure category within each program.

(2) A process for updating the structure on an ongoing basis.

(b) The structure developed pursuant to subdivision (a) shall take into account the reporting requirements set forth in Section 42103.3 of the Education Code.

(c) No later than July 1, 1994, the State Department of Education shall complete the development of a plan for conversion, over a period of three years, from the accounting and budget structure currently used by school districts and county offices of education to the model structure developed pursuant to subdivision (a). The plan shall include an estimate of implementation costs for school districts, county offices of education, and the State Department of Education on a statewide basis, including, but not limited to, costs associated

with the training of personnel and the development of software to enhance the electronic transmission of data.

(d) No later than September 1, 1994, the State Department of Education shall submit to the Legislature and the Department of Finance the model structure and plan for conversion developed pursuant to this section. It is the intent of the Legislature that the Governor consider funding for the plan for conversion in developing the Budget Bill for the 1995–96 fiscal year.

(e) A 13-member committee is hereby established to advise the State Department of Education on the development of the accounting and budget structure under subdivision (a). The committee shall be selected by the Superintendent of Public Instruction, and shall include representatives of the Department of Finance, the Controller's office, the Legislature, and the California education community, including members of the public. Notwithstanding any other provision of law, the members of the committee shall not be entitled to any per diem or other compensation for their services, or for any travel costs relating to those services. The committee shall complete its work and disband no later than September 1, 1994.

SEC. 4. The sum of seventy-five thousand dollars ($75,000) is hereby appropriated from the General Fund to the State Department of Education without regard to fiscal year to fund the costs of developing a model accounting and budget structure pursuant to Section 3.

CHAPTER 238

An act to amend Sections 23358 and 25608 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 23358 of the Business and Professions Code is amended to read:

23358. Licensed winegrowers, notwithstanding any other provisions of this division, may also sell wine and brandy to any person holding a license authorizing the sale of wine or brandy, and to consumers for consumption off the premises where sold, and may also sell all beers, wines, and brandies, regardless of source, to consumers for consumption on the premises in a bona fide eating place as defined in Section 23038 of this code, which is located on the licensed premises or on premises owned by the licensee that are contiguous to the licensed premises and which is operated by and for the licensee. At such bona fide public eating place beer, wine, and

brandy may be used in the preparation of food and beverages to be consumed on the premises. A winegrower may also have upon the premises all beers, wines, and brandies, regardless of source, for sale or service only to guests during private events or private functions not open to the general public. Alcoholic beverage products sold at the premises that are not produced and bottled by, or produced and packaged for, the winegrower shall be purchased by the winegrower only from a licensed wholesaler. A winegrower shall actually produce on his licensed premises by conversion of grapes, berries or other fruit, into wine, not less than 50 percent of all wines sold to consumers on his licensed premise or premises and any licensed branch premise or premises.

The department may, if it shall determine for good cause that the granting of such privilege would be contrary to public welfare or morals, deny the right to exercise the on-sale privilege authorized by this section in any bona fide eating place the main entrance to which is within 200 feet of a school or church.

SEC. 2. Section 25608 of the Business and Professions Code is amended to read:

25608. Every person who possesses, consumes, sells, gives, or delivers to any other person, any alcoholic beverage in or on any public schoolhouse or any of the grounds thereof, is guilty of a misdemeanor. This section does not, however, make it unlawful for any person to acquire, possess, or use any alcoholic beverage in or on any public schoolhouse, or on any grounds thereof, if any of the following applies:

(a) The alcoholic beverage is acquired, possessed, or used in connection with a course of instruction given at the school and the person has been authorized to acquire, possess, or use it by the governing body or other administrative head of the school.

(b) The public schoolhouse is surplus school property and the grounds thereof are leased to a lessee which is a general law city with a population of less than 50,000, or the public schoolhouse is surplus school property and the grounds thereof are located in an unincorporated area and are leased to a lessee which is a civic organization, and the property is to be used for community center purposes and no public school education is to be conducted thereon by either the lessor or the lessee and the property is not being used by persons under the age of 21 years for recreational purposes at any time during which alcoholic beverages are being sold or consumed on the premises.

(c) The alcoholic beverages are acquired, possessed, or used during events at a college-owned or operated veterans stadium with a capacity of over 12,000 people, located in a county with a population of over six million people. As used in this subdivision, "events" mean football games sponsored by a college, other than a public community college, or other events sponsored by noncollege groups.

(d) The alcoholic beverages are acquired, possessed, or used during an event not sponsored by any college at a performing arts

facility built on property owned by a community college district and leased to a nonprofit organization which is a public benefit corporation formed under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. As used in this subdivision, "performing arts facility" means an auditorium with more than 300 permanent seats.

(e) The alcoholic beverage is wine for sacramental or other religious purposes and is used only during authorized religious services held on or before January 1, 1995.

(f) The alcoholic beverages are acquired, possessed, or used during an event at a community center owned by a community services district and the event is not held at a time when students are attending a public school sponsored activity at the center.

(g) The alcoholic beverage is wine which is acquired, possessed, or used during an event sponsored by a community college district or an organization operated for the benefit of the community college district where the college district maintains both an instructional program in viticulture on no less than 5 acres of land owned by the district and an instructional program in enology, which includes sales and marketing.

(h) The alcoholic beverage is acquired, possessed, or used at a professional minor league baseball game conducted at the stadium of a community college located in a county with a population of less than 250,000 inhabitants, and the baseball game is conducted pursuant to a contract between the community college district and a professional sports organization.

Any person convicted of a violation of this section shall, in addition to the penalty imposed for the misdemeanor, be barred from having or receiving any privilege of the use of public school property which is accorded by Article 2 (commencing with Section 82530) of Chapter 8 of Part 49 of the Education Code.

CHAPTER 239

An act to amend Section 7501.5 of the Welfare and Institutions Code, relating to state hospitals, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 7501.5 of the Welfare and Institutions Code is amended to read:

7501.5. (a) The Department of General Services, in cooperation with the State Department of Developmental Services and the State Department of Mental Health, may lease property within the

boundaries of Camarillo State Hospital described in subdivision (c) to Ventura County, which may sublet the property to one or more responsible organizations selected by Ventura County for the purposes of constructing housing or operating residential care services, or both, designed to meet the identified treatment and rehabilitation needs of mentally disordered persons from Ventura County. The lease between the state and Ventura County shall contain a provision that requires that the lease shall terminate and that full title, possession, and control of the property shall return to the state if permits have not been issued for construction of the housing prior to January 1, 1995. The sublease between Ventura County and the responsible bidder shall contain a provision that requires that permits for construction of the housing be issued prior to January 1, 1995, and shall contain a provision that requires that the sublease shall terminate and full title, possession, and control of the property shall return to the state if permits have not been issued for construction of the housing prior to January 1, 1995.

(b) In selecting a service provider pursuant to subdivision (a), Ventura County shall only consider a sublease with organizations that comply with subdivision (b) of Section 5705 and Section 523 of Title 9 of the California Code of Regulations.

(c) (1) The property consists of a 15 plus acre portion of a 58.5 acre parcel at Camarillo State Hospital that has previously been declared surplus by the State Department of Developmental Services. The acreage is on Lewis Road at the entrance to Camarillo State Hospital. Specific metes and bounds shall be established for the 15 plus acre parcel prior to the actual lease of the property.

(2) The Department of General Services may enter into a lease at less than fair market value. The department is authorized to lease the parcel for not less than 40, and not more than 99, years.

(d) If there is available space, mentally disordered persons from Los Angeles, San Luis Obispo, and Santa Barbara Counties may be eligible for placement at this center if an agreement to that effect is entered into between those counties and Ventura County. The agreement shall specify that Los Angeles, San Luis Obispo, and Santa Barbara Counties shall retain responsibility for monitoring and maintenance of mentally disordered persons placed through those agreements and for payment of costs incurred or services rendered by Ventura County.

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

In order that needed services for mentally disordered persons in Ventura County may be implemented at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 240

An act to amend Section 2553.5 of the Business and Professions Code, relating to registered dispensing opticians.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 2553.5 of the Business and Professions Code is amended to read:

2553.5. (a) A registered dispensing optician may fit and adjust spectacle lenses and frames or take facial measurements in any of the following locations:

(1) A health facility as defined in Section 1250 of the Health and Safety Code for a person admitted to that facility or an employee of that facility.

(2) A business location as defined in subdivision (f) for an employee or independent contractor of the person operating the business at that location.

(3) Any certified place of business pursuant to Section 2553.

(b) A registered dispensing optician who fits and adjusts spectacle lenses at a health facility or business location shall provide to the patient written information disclosing the registrant's regular business address, certificate of registration number, phone number, and the name and phone number of the person designated by the licensee to receive complaints and inquiries, as specified in Section 2554.

(c) Nothing in this section shall be deemed to permit a registered dispensing optician or registered contact lens dispenser to fit or adjust contact lenses at a health facility or at a business location, as defined in subdivision (f).

(d) A registered spectacle lens dispenser may fit and adjust spectacle lenses at a health facility or at a business location, as defined in subdivision (f), only if he or she is in personal attendance at a certified place of business pursuant to Section 2553 at least 40 percent of his or her regular working hours each week.

(e) A registered spectacle lens dispenser who fits and adjusts spectacle lenses at a health facility or at a business location, as defined in subdivision (f), other than on a temporary basis, shall maintain an emergency patient response system. This system shall consist of a telephone answering machine or service or a telephone paging device and the registered spectacle lens dispenser shall respond to patient inquiries received through the emergency system within 24 hours excluding weekends and holidays.

(f) "Business location" means the place at which any business employs more than 25 persons at any single business address, but shall not include a health facility, as defined in Section 1250 of the

Health and Safety Code, or a certified place of business as specified in Section 2553.

(g) This section shall not affect the requirements regarding fitting and adjusting as set forth in Sections 2559.1 and 2560.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 241

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

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. The sum of one hundred fifteen million one hundred sixty-two thousand dollars ($115,162,000) is hereby appropriated to the Controller for the payment of claims for reimbursement of state-mandated costs, according to the following schedule:

(a) One hundred fourteen million seven hundred twenty-nine thousand dollars ($114,729,000) from the General Fund, to be allocated as follows:

(1) One million eight hundred seventy-three thousand dollars ($1,873,000) for the reimbursement of claims of school districts and community colleges, as specified, to be allocated as follows:

(A) Eight hundred seventy-three thousand dollars ($873,000) for the payment of claims of school districts seeking reimbursable state-mandated costs incurred pursuant to Chapter 1607 of the Statutes of 1984, Chapter 78 of the Statutes of 1988, and Chapter 1457 of the Statutes of 1989 (School Crimes Statistics Reporting and Validation), for the 1993–94 fiscal year.

(B) One million dollars ($1,000,000) to cover deficiencies resulting from the enactment of Chapter 369 of the Statutes of 1992 in accordance with the following schedule:

One million dollars ($1,000,000) for the payment of claims of school districts seeking reimbursable state-mandated costs incurred

pursuant to Chapter 1659 of the Statutes of 1984 (Emergency Procedures) for the 1993–94 fiscal year.

(2) One hundred twelve million eight hundred fifty-six thousand dollars ($112,856,000) for the reimbursement of claims of other local governmental entities, as specified, to be allocated as follows:

(A) Five million three hundred twelve thousand dollars ($5,312,000) for the payment of claims of counties seeking reimbursable state-mandated costs incurred pursuant to Chapter 955 of the Statutes of 1989 and State Department of Health Services Protocols (Sudden Infant Death Syndrome), for the 1990-91 through 1993-94 fiscal years.

(B) Ninety-five million six hundred fifty-nine thousand dollars ($95,659,000) for the payment of claims of counties seeking reimbursable state-mandated costs incurred pursuant to Chapter 1747 of the Statutes of 1984; Chapter 1274 of the Statutes of 1985; and Division 9 of Title 2 of the California Code of Regulations (Handicapped and Disabled Students), for the 1986-87 through 1993-94 fiscal years.

(C) Nine million eight hundred eighty-five thousand dollars ($9,885,000) to provide reimbursement of costs incurred under state-mandated programs for local agencies for the period of July 1, 1992, through September 2, 1992, to reimburse for those mandated programs identified in Provision 4 of Item 8885-111-101 of Chapter 587 of the Statutes of 1992, which was not in operation for this time period.

(D) Two million dollars ($2,000,000) to restore funding for the 1992–93 fiscal year for the state-mandated program contained in Chapter 641 of the Statutes of 1986 (Open Meetings Act) for local agencies.

(b) Four hundred thirty-three thousand dollars ($433,000) from the Restitution Fund to provide reimbursement of costs incurred under state-mandated programs.

(c) All amounts appropriated in subdivision (a) are for the purposes of meeting the funding guarantee for education programs pursuant to Section 8 of Article XVI of the California Constitution.

(d) If any of the scheduled amounts in subdivisions (a) and (b) are insufficient to provide full reimbursement of costs, the 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 that unencumbered balances in any paragraph of subdivision (a) or (b) may be used to augment deficient amounts only in those items. No order may be issued pursuant to this provision unless written notification of necessity is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

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 local government claims against the state for mandated costs and end hardship to local governments, it is necessary for this act to take effect immediately.

CHAPTER 242

An act to amend Sections 1339.30, 1339.34, and 1339.37 of the Health and Safety Code, relating to health facilities.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. It is the intent of the Legislature to extend the duration of the Special Hospital: Hospice Pilot Project specially designed for patients and their families facing terminal illness as enacted by Chapter 1 of the Statutes of 1989.

SEC. 2. Section 1339.30 of the Health and Safety Code is amended to read:

1339.30. A Special Hospital: Hospice Pilot Project is hereby created. This pilot project shall be established and administered by the department, and shall consist of up to three pilot projects, one of which shall be located in San Diego. The department shall license facilities that are part of the pilot project for the duration of the pilot project as a special hospital: hospice. No person or entity shall be licensed as a special hospital: hospice unless that person or entity is participating in this pilot project.

The purpose of the pilot project is to determine the need of hospice patients for acute inpatient hospital care.

This article shall not preclude the provision of appropriate hospice services in other settings.

The pilot project does not constitute an approved project as defined in subdivision (b) of Section 429.71.

SEC. 3. Section 1339.34 of the Health and Safety Code is amended to read:

1339.34. (a) Each facility that is part of the pilot project shall report to the Legislature at the end of each year of operation on the following factors: acuity levels of patients using the pilot project facilities; relative cost effectiveness of the pilot facilities; quality of care in the pilot facilities; utilization of the pilot facilities; and staffing requirements of the pilot facilities. Reports shall be submitted to the Legislature no later than three months after the close of the 12-month period for which the report is made. However, the Legislature may approve requests to extend this deadline that are submitted no later than 30 days prior to the deadline and that state the reason for the delay and corrective measures that have been

taken to avoid future delays. No report deadline will be extended for more than three months beyond the original report date.

(b) This section shall remain in effect until January 1, 1998, and on that date is repealed, unless a later enacted statute enacted before January 1, 1998, deletes or extends that date.

SEC. 4. Section 1339.37 of the Health and Safety Code is amended to read:

1339.37. Except for Section 1339.34, this article shall remain in effect until January 1, 1997, and on that date is repealed, unless a statute enacted before January 1, 1997, deletes or extends the date.

CHAPTER 243

An act to amend Section 3505 of the Public Utilities Code, relating to vehicles.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 3505 of the Public Utilities Code is amended to read:

3505. This chapter does not apply to any of the following:

(a) The transportation of baggage and express which is incidental to the transportation of passengers by a passenger stage corporation, as defined in Section 226.

(b) The transportation by towing of a disabled vehicle.

(c) The transportation other than by towing of not more than four vehicles, or not more than three vehicles in addition to one towed vehicle, when those vehicles are in transit to be repaired or dismantled.

(d) The transportation by towing of a vehicle which was illegally parked.

(e) Providing pickup and delivery services for express packages, newspapers, or mail in a commercial zone, as defined in paragraph (1) of subsection (b) of Section 10526 of Title 49 of the United States Code, if the shipment has had or will have a prior or subsequent movement by a passenger stage corporation.

(f) The transportation by towing of a vehicle which has been stolen or abandoned, or whenever directed by a peace officer having authority or jurisdiction.

(g) The transportation by towing of a vehicle for purposes of replacement of or substitution for a vehicle which has been wrecked or disabled.

CHAPTER 244

An act to add Section 18031.8 to the Health and Safety Code, relating to manufactured housing.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 18031.8 is added to the Health and Safety Code, to read:

18031.8. (a) Nothing in this part or the regulations promulgated thereunder shall prohibit the replacement in manufactured homes or mobilehomes of ovens, ranges, or clothes dryers with fuel gas burning ovens, ranges, or clothes dryers not specifically listed for use in a manufactured home or mobilehome.

(b) Replacement fuel gas burning ovens, ranges, or clothes dryers shall be listed for residential use and installed in accordance with the specifications of that listing to include tiedown and bracing to prevent displacement.

(c) Replacement fuel gas burning ovens, ranges, or clothes dryers installed in accordance with subdivision (b) shall bear a label in compliance with subdivision (c) of Section 18031.7.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 245

An act to amend Section 11167.5 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 11167.5 of the Health and Safety Code is amended to read:

11167.5. (a) An order for a controlled substance classified in

Schedule II in a licensed skilled nursing facility, an intermediate care facility, or a licensed home health agency providing hospice care may be dispensed upon an oral prescription. Prior to filling the prescription, the pharmacist shall reduce it to writing in ink or indelible pencil in the handwriting of the pharmacist upon an official prescription form issued by the Department of Justice for that purpose. The prescriptions shall be prepared in triplicate and shall contain the date the prescription was orally transmitted by the prescriber, the name of the person for whom the prescription was authorized, the name and address of the licensed facility or home health agency providing hospice care in which that person is a patient, the name and quantity of the controlled substance prescribed, the directions for use, and the name, address, category of professional licensure, and federal controlled substance registration number of the prescriber. The duplicate shall be retained by the pharmacist, and the triplicate shall be forwarded to the prescriber by the end of the month in which the prescription was issued. The original shall be properly endorsed by the pharmacist with the pharmacy's state license number, the signature of the pharmacist, the name and address of the pharmacy, and the signature of the person who received the controlled substances for the licensed facility or home health agency providing hospice care and shall be forwarded by the pharmacist to the Department of Justice at the end of the month in which the prescription was filled. A skilled nursing facility, intermediate care facility, or licensed home health agency providing hospice care shall forward to the dispensing pharmacist a copy of any signed telephone order, chart order, or related documentation substantiating each oral prescription transaction under this section.

(b) For the purposes of this section, "hospice care" means interdisciplinary health care which is designed to alleviate the physical, emotional, social, and spiritual discomforts of an individual who is experiencing the last phases of a terminal disease and to provide supportive care for the primary care person and the family of the patient under hospice care.

CHAPTER 246

An act to amend Section 1596.955 of, and to add Sections 1596.956 and 1597.059 to, the Health and Safety Code, relating to child day care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 1596.955 of the Health and Safety Code is amended to read:

1596.955. (a) The department shall develop guidelines and procedures to permit licensed child day care centers serving preschool age children to create a special program component for children between the ages of 18 months and 30 months. This optional toddler program shall be subject to the following basic conditions:

(1) An amended application is submitted to and approved by the department.

(2) No child shall be placed in the preschool program before the age of 30 months without parental permission. A child who is more than 30 months of age may participate in the toddler program with parental permission.

(3) Parents give permission for the placement of their children in the toddler program.

(4) A ratio of six children to each teacher is maintained for all children in attendance at the toddler program. An aide who is participating in on-the-job-training may be substituted for a teacher when directly supervised by a fully qualified teacher.

(5) The maximum group size, with two teachers, or one fully qualified teacher and one aide, does not exceed 12 toddlers.

(6) The toddler program is conducted in areas separate from those used by older or younger children. Plans to alternate use of outdoor play space may be approved to achieve separation.

(7) All other preschool regulations are complied with.

(b) The toddler program shall be considered an extension of the preschool license, without the need for a separate license.

(c) The department shall immediately prepare proposed regulations for public hearing which would consider the foregoing basic conditions as well as any additional health and safety safeguards deemed necessary for this age group.

(d) The guidelines in subdivision (a) shall remain in force and effect only until regulations implementing this section are adopted by the department. A status report on development of the regulations shall be submitted by the department to the Legislature no later than June 1, 1990.

SEC. 2. Section 1596.956 is added to the Health and Safety Code, immediately following Section 1596.955, to read:

1596.956. (a) The department shall develop guidelines and procedures to authorize licensed child day care centers serving infants to create a special program component for children between the ages of 18 months and 30 months. The optional toddler program shall be subject to the following basic conditions.

(1) An amended application shall be submitted to and approved by the department.

(2) No child under the age of 18 months shall be moved into the toddler program. A child who is more than 18 months of age shall not

be required to be in the toddler program.

(3) Parents shall give permission for the placement of their children in the toddler program.

(4) A ratio of six children to each teacher shall be maintained for all children in attendance at the toddler program. An aide who is participating in on-the-job-training may be substituted for a teacher when directly supervised by a fully qualified teacher.

(5) The maximum group size, with two teachers, or one fully qualified teacher and one aide, shall not exceed 12 toddlers.

(6) The toddler program shall be conducted in areas separate from those used by older or younger children. Plans to alternate use of outdoor play space may be approved to achieve separation.

(7) All other infant center regulations shall be complied with.

(b) The toddler program shall be considered an extension of the infant center license, without the need for a separate license.

(c) The department shall immediately prepare proposed regulations for public hearing that would consider the foregoing basic conditions as well as any additional health and safety safeguards deemed necessary for this age group.

(d) The guidelines in subdivision (a) shall remain in force and effect only until regulations implementing this section are adopted by the department.

SEC. 3. Section 1597.059 is added to the Health and Safety Code, to read:

1597.059. (a) The State Department of Social Services shall adopt guidelines and procedures to permit an aide to assist a fully qualified child care teacher in the supervision of up to 18 preschool age children, with the requirement that the aide shall complete at least two accredited postsecondary semester units or equivalent quarter units of early childhood education or child development per semester or quarter, commencing with the first semester or quarter following initial employment and continuing until six units have been completed.

(b) For purposes of this section, "preschool age children" means children who are enrolled in a child day care center licensed by the department and who are not enrolled in either an infant care center or a schoolage child day care center, as these terms are defined in Title 22 of the California Code of Regulations.

(c) This section shall not become operative prior to June 30, 1993.

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

This act is necessary to continue and expand an effective program.

CHAPTER 247

An act to amend Section 1569.72 of the Health and Safety Code, relating to residential care for the elderly.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 1569.72 of the Health and Safety Code, as amended by Section 5 of Chapter 1169 of the Statutes of 1992, is amended to read:

1569.72. (a) Except as otherwise provided in subdivision (d), no resident shall be admitted or retained in a residential care facility for the elderly if any of the following apply:

(1) The resident requires 24-hour, skilled nursing or intermediate care.

(2) The resident is bedridden, other than for a temporary illness or for recovery from surgery.

(b) For the purposes of this section, "bedridden" means an applicant or resident who requires assistance in turning and repositioning in bed and is unable to leave a building unassisted under emergency conditions.

(c) For the purposes of this section, "temporary illness" means any illness which persists for 14 days or less.

(d) A bedridden resident may be retained in a residential care facility for the elderly in excess of 14 days if all of the following requirements are satisfied:

(1) The facility notifies the department in writing regarding the temporary illness or recovery from surgery.

(2) The facility submits to the department, with the notification, a physician and surgeon's written statement to the effect that the resident's illness or recovery is of a temporary nature. The statement shall contain an estimated date upon which the illness or recovery will end or upon which the resident will no longer be confined to a bed.

(3) The department determines that the health and safety of the resident is adequately protected in that facility and that transfer to a higher level of care is not necessary.

(e) Notwithstanding the length of stay of a bedridden resident, every facility admitting or retaining a bedridden resident, as defined in this section, shall, within 48 hours of the resident's admission or retention in the facility, notify the local fire authority with jurisdiction in the bedridden resident's location of the estimated length of time the resident will retain his or her bedridden status in the facility.

(f) Nothing in this section shall be used for purposes of Section 1569.70 to determine the appropriateness of residents being

admitted or retained in a residential care facility for the elderly on the basis of health related conditions and the need for these services until the three levels of care set forth in Section 1569.70 are fully implemented. This section shall not prohibit the Community Care Licensing Division of the State Department of Social Services from continuing to implement the regulations of Article 8 (commencing with Section 87700) of Chapter 8 of Division 6 of Title 22 of the California Code of Regulations, as promulgated and approved on February 13, 1990.

(g) This section shall remain in effect only until January 1, 1995, and shall have no force or effect on or after that date, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

SEC. 2. Section 1569.72 of the Health and Safety Code, as amended by Section 6 of Chapter 1169 of the Statutes of 1992, is amended to read:

1569.72. (a) Except as otherwise provided in subdivision (d), no resident shall be admitted or retained in a residential care facility for the elderly if any of the following apply:

(1) The resident requires 24-hour, skilled nursing or intermediate care.

(2) The resident is bedridden, other than for a temporary illness or for recovery from surgery.

(b) For the purposes of this section, "bedridden" means any of the following:

(1) An applicant or resident who requires assistance in turning and repositioning in bed and is unable to leave a building unassisted under emergency conditions.

(2) An applicant or resident who is unable to independently transfer to and from bed and is unable to leave a building unassisted under emergency conditions.

(c) For the purposes of this section, "temporary illness" means any illness which persists for 14 days or less.

(d) A bedridden resident may be retained in a residential care facility for the elderly in excess of 14 days if all of the following requirements are satisfied:

(1) The facility notifies the department in writing regarding the temporary illness or recovery from surgery.

(2) The facility submits to the department, with the notification, a physician and surgeon's written statement to the effect that the resident's illness or recovery is of a temporary nature. The statement shall contain an estimated date upon which the illness or recovery will end or upon which the resident will no longer be confined to a bed.

(3) The department determines that the health and safety of the resident is adequately protected in that facility and that transfer to a higher level of care is not necessary.

(e) Notwithstanding the length of stay of a bedridden resident, every facility admitting or retaining a bedridden resident, as defined

in this section, shall, within 48 hours of the resident's admission or retention in the facility, notify the local fire authority with jurisdiction in the bedridden resident's location of the estimated length of time the resident will retain his or her bedridden status in the facility.

(f) Nothing in this section shall be used for purposes of Section 1569.70 to determine the appropriateness of residents being admitted or retained in a residential care facility for the elderly on the basis of health related conditions and the need for these services until the three levels of care set forth in Section 1569.70 are fully implemented. This section shall not prohibit the Community Care Licensing Division of the State Department of Social Services from continuing to implement the regulations of Article 8 (commencing with Section 87700) of Chapter 8 of Division 6 of Title 22 of the California Code of Regulations, as promulgated and approved on February 13, 1990.

(g) This section shall become operative on January 1, 1995.

CHAPTER 248

An act to amend Sections 1502, 1506, and 1530.5 of the Health and Safety Code, relating to community care facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. 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 that 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) "Therapeutic day services facility" means any facility that 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 therapeutic day services and foster care providers.

(4) "Foster family agency" means any organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other placements for the temporary or permanent care of children who require that level of care as an alternative to a group home. 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 that 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, by a court order, or by voluntary placement by a child's parent, parents, or guardian.

(6) "Small family home" means any residential facility, in the licensee's family residence, that provides 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. A small family home may accept children with special health care needs, pursuant to subdivision (a) of Section 17710 of the Welfare and Institutions Code. In addition to placing children with special health care needs, the department may approve placement of children without special health care needs, up to the licensed capacity.

(7) "Social rehabilitation facility" means any residential facility that 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 5671 of the Welfare and Institutions Code.

(8) "Community treatment facility" means any residential facility that 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 Sections 5671, 5671.5, and 5672 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) "Full-service adoption agency" means any licensed entity

engaged in the business of providing adoption services, that does all 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 full-service adoption agencies shall be organized and operated on a nonprofit basis.

(10) "Noncustodial adoption agency" means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assesses the prospective adoptive parents.

(B) Cooperatively matches children freed for adoption, who are under the care, custody, and control of a licensed adoption agency, for adoption, with assessed and approved adoptive applicants.

(C) Cooperatively supervises adoptive placements with a full-service adoptive agency, but does not disrupt a placement or remove a child from a placement.

Private noncustodial 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. 2. Section 1506 of the Health and Safety Code is amended to read:

1506. (a) (1) Any holder of a valid license issued by the department that authorizes the licensee to engage in any foster family agency functions, may use only a certified family home that has been certified by that agency or a licensed foster family home approved for this use by the licensing county pursuant to Section 1506.5.

(2) Any home selected and certified for the reception and care of children by that licensee shall not, during the time it is certified and used only by that agency for these placements or care, be subject to Section 1508. A certified family home may not be concurrently licensed as a foster family home or as any other licensed residential facility.

(3) A child with a developmental disability who is placed in a certified family home by a foster family agency that is operating under agreement with the regional center responsible for that child may remain in the certified family home after the age of 18 years. The determination regarding whether and how long he or she may remain as a resident after the age of 18 years shall be made through the agreement of all parties involved, including the resident, the foster parent, the foster family agency social worker, the resident's regional center case manager, and the resident's parent, legal

guardian, or conservator, as appropriate. This determination shall include a needs and service plan that contains an assessment of the child's needs to ensure continued compatibility with the other children in placement. The needs and service plan shall be completed no more than six months prior to the child's eighteenth birthday. The assessment shall be documented and maintained in the child's file with the foster family agency.

(b) (1) A foster family agency shall certify to the department that the home has met the department's licensing standards. A foster family agency may require a family home to meet additional standards or be compatible with its treatment approach.

(2) The foster family agency shall issue a certificate of approval to the certified family home upon its determination that it has met the standards established by the department and before the placement of any child in the home. The certificate shall be valid for a period not to exceed one year. The annual recertification shall require a certified family home to complete at least 12 hours of structured applicable training or continuing education. At least one hour of training during the first six months following initial certification shall be dedicated to meeting the requirements of paragraph (1) of subdivision (b) of Section 11174.1 of the Penal Code.

(3) If the agency determines that the home no longer meets the standards, it shall notify the department and the local placing agency.

(c) The department shall develop licensing regulations differentiating between foster family agencies that provide treatment of children in foster families and those that provide nontreatment services.

(d) As used in this chapter, "certified family home" means a family residence certified by a licensed foster family agency and issued a certificate of approval by that agency as meeting licensing standards, and used only by that foster family agency for placements.

(e) Requirements for social work personnel for a foster family agency shall be a master's degree from an accredited or state approved graduate school in social work or social welfare, marriage, family, and child counseling, child psychology, child development, counseling psychology, social psychology, or equivalent education and experience, as determined by the state department.

(f) (1) In addition to the degree specifications in subdivision (e), all of the following coursework and field practice or experience shall be required of all new hires for the position of social work personnel effective January 1, 1993:

(A) At least three semester units, or 100 days, of field practice or experience in a public or private social service agency setting at the master's level.

(B) At least nine semester units of coursework related to children and families, or 18 months of experience in working with children and families.

(C) At least three semester units in working with minority

populations or six months of experience in working with minority populations or six months of in-service training in working with minority populations within the first year of employment as a condition of employment.

(D) At least three semester units in child welfare, or two years' experience in a public or private child welfare social services setting.

(2) (A) Persons who do not meet the master's degree requirements specified in subdivision (e) may apply for an exception as provided for in subdivisions (g) and (h), provided the applicant satisfies the coursework and field practice or experience requirements in paragraph (1).

(B) Exceptions granted by the department prior to January 1, 1993, shall remain in effect.

(3) (A) Persons who are hired as social work personnel on or after January 1, 1992, but prior to January 1, 1993, who do not meet the requirements listed in this subdivision shall be required to successfully meet those requirements by December 31, 1994, in order to remain employed as social work personnel in a foster family agency.

(B) Employees who were hired prior to January 1, 1992, shall not be required to meet the requirements of this subdivision in order to remain employed as social work personnel in a foster family agency.

(g) Individuals seeking an exception to the requirements of subdivision (e) or (f) based on completion of equivalent education and experience shall apply to the department by the process established by the department.

(h) The State Department of Social Services shall be required to complete the process for the exception to minimum education and experience requirements for social work personnel in subdivisions (e) and (f) within 30 days of receiving the exception application of social work personnel qualifications from the foster family agency.

(i) The department shall review the feasibility of instituting a licensure category to cover foster homes that are established specifically to care for and supervise adults with developmental disabilities, as defined in subdivision (a) of Section 4512 of the Welfare and Institutions Code, to prevent the institutionalization of those individuals.

SEC. 3. Section 1530.5 of the Health and Safety Code is amended to read:

1530.5. (a) The state department, in establishing regulations, including provisions for periodic inspections, under this chapter for foster family homes and certified family homes of foster family agencies, shall consider these homes as private residences, and shall establish regulations for these foster family homes and certified family homes of foster family agencies as an entirely separate regulation package from regulations for all other community care facilities. These foster family homes and certified family homes of foster family agencies shall not be subject to civil penalties pursuant to Section 1548. The department, in adopting and amending

regulations for these foster family homes and certified family homes of foster family agencies, shall consult with foster parent and foster family agency organizations in order to ensure compliance with the requirement of this section.

(b) This section shall not apply to small family homes or foster family agencies as defined in Section 1502.

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 needed foster care services may be made available to persons with developmental disabilities at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 249

An act to amend Section 443.31 of, and to add Section 443.39 to, the Health and Safety Code, relating to health facilities.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 443.31 of the Health and Safety Code is amended to read:

443.31. Every organization that operates, conducts, or maintains a health facility and the officers thereof, shall make and file with the office, at the times as the office shall require, all of the following reports on forms specified by the office that shall be in accord where applicable with the systems of accounting and uniform reporting required by this part, except the reports required pursuant to subdivision (g) shall be limited to hospitals:

(a) A balance sheet detailing the assets, liabilities, and net worth of the health facility at the end of its fiscal year.

(b) A statement of income, expenses, and operating surplus or deficit for the annual fiscal period, and a statement of ancillary utilization and patient census.

(c) A statement detailing patient revenue by payer, including, but not limited to, Medicare, Medi-Cal, and other payers, and revenue center except that hospitals authorized to report as a group pursuant to subdivision (d) of Section 443.34 are not required to report revenue by revenue center.

(d) A statement of cash-flows, including, but not limited to, ongoing and new capital expenditures and depreciation.

(e) A statement reporting the information required in subdivisions (a), (b), (c), and (d) for each separately licensed health facility operated, conducted, or maintained by the reporting

organization, except those hospitals authorized to report as a group pursuant to subdivision (d) of Section 443.34.

(f) The office shall consult with the County Hospital Committee of the California Hospital Association, the County Supervisors Association of California, and the California Association of Public Hospitals to improve the accuracy of indigent care revenue reporting and shall present legislative or regulatory recommendations for such improvements by March 30, 1985.

(g) A Hospital Discharge Abstract Data Record that includes all of the following:

(1) Date of birth.
(2) Sex.
(3) Race.
(4) Zip code.
(5) Patient social security number, if it is contained in the patient's medical record.
(6) Admission date.
(7) Source of admission.
(8) Type of admission.
(9) Discharge date.
(10) Principal diagnosis.
(11) Other diagnoses.
(12) External cause of injury.
(13) Principal procedure and date.
(14) Other procedures and dates.
(15) Total charges.
(16) Disposition of patient.
(17) Expected source of payment.

It is the expressed intent of the Legislature that the patient's rights of confidentiality shall not be violated in any manner. Patient social security numbers and any other data elements that the office believes could be used to determine the identity of an individual patient shall be exempt from the disclosure requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

No person reporting data pursuant to this section shall be liable for damages in any action based on the use or misuse of patient-identifiable data that has been mailed or otherwise transmitted to the office pursuant to the requirements of this subdivision.

A hospital or its designee shall semiannually file the Hospital Discharge Abstract Data Record not later than six months after the end of each semiannual period, commencing six months after January 1, 1986. A hospital may submit the Hospital Discharge Abstract Data Record in a computer tape format, and a hospital shall use coding from the International Classification of Diseases in reporting diagnoses and procedures.

SEC. 2. Section 443.39 is added to the Health and Safety Code, to read:

443.39. Notwithstanding any other provision of law, upon the request of a small and rural hospital, as defined in Section 1188.855, that did not file financial reports with the office by electronic media as of January 1, 1993, the office shall, on a case-by-case basis, do one of the following:

(a) Exempt the small and rural hospital from any electronic filing requirements of the office regarding annual or quarterly financial disclosure reports specified in Sections 443.31 and 443.32.

(b) Provide a one-time reduction in the fee charged to the small and rural hospital not to exceed the maximum amount assessed pursuant to Section 439 by an amount equal to the costs incurred by the small and rural hospital to purchase the computer hardware and software necessary to comply with any electronic filing requirements of the office regarding annual or quarterly financial disclosure reports specified in Sections 443.31 and 443.32.

CHAPTER 250

An act to amend Section 20323 of the Public Contract Code, and to amend Sections 99232.5, 99401.5, 102284, and 102288 of, and to add Section 99232.4 to, the Public Utilities Code, relating to transportation.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 20323 of the Public Contract Code is amended to read:

20323. (a) The Legislature finds and declares that the award of purchase contracts by the Sacramento Regional Transit District under competitive bid procedures may not be feasible for products and materials which are undergoing rapid technological changes or for the introduction of new technologies into district operations, and that in these circumstances it is in the public interest to consider the broadest possible range of competing products and materials available, fitness of purpose, manufacturer's warranty, vendor financing, performance reliability, standardization, life-cycle costs, delivery timetables, support logistics, and other similar factors in addition to price in the award of these contracts.

(b) Notwithstanding any other provision of law, the Board of Directors of the Sacramento Regional Transit District may direct the purchase of (1) computers, telecommunications equipment, fare collection equipment, microwave equipment, and other related electronic equipment and apparatus; (2) specialized rail transit equipment, including, but not limited to, rail cars; and (3) electric powered transit vehicles, by competitive negotiation upon a finding

by two-thirds vote of all members of the board of the district that the purchase of that equipment in compliance with provisions of this code generally applicable to the purchase does not constitute a method of procurement adequate for the district's needs. Competitive negotiations may also be used for the purchase of replacement radio equipment, if the initial purchase of the radio equipment was done by competitive bidding. This section does not apply to contracts for construction or for the procurement of any product available in substantial quantities to the general public.

(c) Competitive negotiation, for the purposes of this section includes, but is not limited to, all of the following requirements:

(1) A request for proposal shall be prepared and submitted to an adequate number of qualified sources, as determined by the district in its discretion, to permit reasonable competition consistent with the nature and requirements of the procurement. In addition, notice of the request for proposal shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before the date for receipt of the proposals. The district shall make every effort to generate the maximum feasible number of proposals from qualified sources and shall make a finding to that effect before proceeding to negotiate if only a single response to the request for proposal is received.

(2) The request for proposal shall identify all significant evaluation factors, including price, and their relative importance.

(3) The district shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for contract award.

(4) Prior to making an award, the district shall prepare a price analysis and shall find that the final negotiated price is fair and reasonable based upon comparable procurements in the marketplace.

(5) Award shall be made to the qualified proposer whose proposal will be most advantageous to the district with price and other factors considered. If award is not made to the proposer whose proposal contains the lowest price, the board shall make a finding setting forth the basis for the award.

(d) The district may reject any and all proposals and issue a new request for proposals at its discretion.

(e) Upon making an award to a qualified proposer, the district, upon request, shall make available to all other proposers and to the public, an analysis of the award which provides the basis for the selection of that particular qualified proposal.

(f) A person who submits, or who plans to submit, a proposal may protest any acquisition conducted in accordance with this section as follows:

(1) Protests based on the content of the request for proposals shall be filed with the district within 10 calendar days after the request for proposals is first advertised in accordance with subdivision (c). The district shall issue a written decision on the protest prior to opening

of proposals. A protest may be renewed by refiling the protest with the district within 15 calendar days after the mailing of the notice of the recommended award.

(2) Any bidder may protest the recommended award on any ground not based upon the content of the request for proposals by filing a protest with the district within 15 calendar days after the mailing of the notice of the recommended award.

(3) Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. Protesters shall have an opportunity to appear and be heard before the board prior to the opening of proposals in the case of protests based on the content of the request for proposals, or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the request for proposals.

(g) Provisions in any contract concerning women and minority business enterprises, which provisions are in accordance with the request for proposals, shall not be subject to negotiation with the successful bidder.

SEC. 2. Section 99232.4 is added to the Public Utilities Code, to read:

99232.4. (a) Notwithstanding Section 99231, and subject to subdivision (a) of Section 99232.5, the apportionment area for the Sacramento Regional Transit District includes all of the incorporated and unincorporated area of the County of Sacramento, excluding cities in the county that have retained the right to join the district at a later time. However, the apportionment restriction in Section 99232 only applies to the area of the Sacramento Regional Transit District described in subdivision (a) of Section 99231.

(b) (1) The Sacramento Regional Transit District may file a claim under Article 8 (commencing with Section 99400), but not under Article 4 (commencing with Section 99260), for the apportionment not subject to Section 99232 and subdivision (a) of Section 99232.5.

(2) The County of Sacramento may also file a claim under Article 8 (commencing with Section 99400) for the apportionment not subject to the restriction in Section 99232. However, a claim for the purposes of subdivision (a) of Section 99400 shall not be approved unless it is determined by the Sacramento Area Council of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code, that there are no unmet transit needs, as defined in Section 99401.5, within the area of the Sacramento Regional Transit District described under subdivision (a) of Section 99231.

(c) This section shall become operative on July 1, 1994.

SEC. 2.1. Section 99232.5 of the Public Utilities Code is amended to read:

99232.5. (a) Notwithstanding Section 99232, cities within the County of Sacramento which are outside the activated boundaries of the Sacramento Regional Transit District, but which provide transit

service or which contract with the district for transit service, may also file claims under Article 8 (commencing with Section 99400) if it is determined by the Sacramento Area Council of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code, that the transit needs of these cities can be met with use of an amount less than the total apportionment of these cities.

(b) With respect to such a city, not less than 25 percent of its apportionment shall be allocated for Article 4 (commencing with Section 99260) purposes.

SEC. 3. Section 99401.5 of the Public Utilities Code is amended to read:

99401.5. Prior to making any allocation not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles, the transportation planning agency shall annually do all of the following:

(a) Consult with the social services transportation advisory council established pursuant to Section 99238.

(b) Identify the transit needs of the jurisdiction which have been considered as part of the transportation planning process, including the following:

(1) An annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including, but not limited to, the elderly, the handicapped, including individuals eligible for paratransit and other special transportation services pursuant to Section 12143 of Title 42 of the United States Code (the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101, et seq.)), and persons of limited means.

(2) An analysis of the adequacy of existing public transportation services and specialized transportation services, including privately and publicly provided services necessary to implement the plan prepared pursuant to Section 12143 (c) (7) of Section 12143 of Title 42 of the United States Code, in meeting the transit demand identified pursuant to paragraph (1).

(3) An analysis of the potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.

(c) Identify the unmet transit needs of the jurisdiction and those needs that are reasonable to meet. The transportation planning agency shall hold at least one public hearing pursuant to Section 99238.5 for the purpose of soliciting comments on the unmet transit needs that may exist within the jurisdiction and that might be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services. The definition adopted by the transportation planning agency for the terms "unmet transit needs" and "reasonable to meet" shall be documented by resolution or in the minutes of the agency. The fact that an identified transit need cannot

be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet. An agency's determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.

(d) Adopt by resolution a finding for the jurisdiction, after consideration of all available information compiled pursuant to subdivisions (a), (b), and (c). The finding shall be that (1) there are no unmet transit needs, (2) there are no unmet transit needs that are reasonable to meet, or (3) there are unmet transit needs, including needs that are reasonable to meet. The resolution shall include information developed pursuant to subdivisions (a), (b), and (c) which provides the basis for the finding.

(e) If the transportation planning agency adopts a finding that there are unmet transit needs, including needs that are reasonable to meet, then the unmet transit needs shall be funded before any allocation is made for streets and roads within the jurisdiction.

SEC. 4. Section 102284 of the Public Utilities Code is amended to read:

102284. (a) The district may enter into agreements for the joint use of any property and rights by the district and any public agency or public utility operating transit facilities; may enter into agreements with any public agency or public utility operating any transit facilities, and wholly or partially within or without the district, for the joint use of any property of the district or of the public agency or public utility, or the establishment of through routes, joint fares, transfer of passengers or pooling arrangements.

(b) In addition to any power described in subdivision (a), the district may enter into agreements for the joint use or joint development of any property or rights by the district and any public agency, or public utility operating transit facilities or nontransit facilities, or both, or any other person, firm, corporation, association, organization, or other entity, public or private, either, in whole or in part, within or outside the district, for the joint use or development of any nontransit facilities of the district or of the public agency, public utility, person, firm, corporation, association, organization, or other entity, public or private, for the establishment of through routes, joint fares, transfer of passengers, pooling arrangements, station cost-sharing, connector fees, or land, air, or development rights, sales or leasing, necessary for, incidental to, or convenient for, the full exercise of the powers granted in this chapter. For the purpose of this section, the following terms have the following meanings:

(1) "Joint development" includes, but is not limited to, agreements with any person, firm, corporation, association, organization, or other entity, public or private, to develop or to engage in the planning, financing, construction, or operation of nontransit district facilities or development projects adjacent, or physically or functionally related, to district transit facilities.

(2) "Development project" includes, but is not limited to, projects for any use or mixed use including public, commercial, or residential uses.

(3) "Nontransit facilities," includes, but is not limited to, any land, buildings, or equipment, or interest therein, that is used for the production of transit revenue not arising from the operation of a transit system.

(c) Construction projects or works of improvement for facilities authorized by the district under the terms of a joint development agreement that is approved under the authority conferred by this section shall be considered a public works project subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and shall be enforced by the Department of Industrial Relations in the same manner in which it carries out this responsibility under the Labor Code.

SEC. 5. Section 102288 of the Public Utilities Code is amended to read:

102288. (a) The district may acquire, construct, own, operate, control, or use rights-of-way, rail lines, buslines, stations, platforms, switches, yards, terminals, parking lots, and any and all facilities necessary or convenient for transit service, within or partly outside the district, underground, upon, or above the ground and under, upon or over public streets or other public ways or waterways, together with all physical structures necessary or convenient for the access of persons or vehicles thereto, and may acquire any interest in or rights to use or joint use of any or all of the foregoing; however, installations in state freeways are subject to the approval of the Department of Transportation, and installations in other state highways are subject to Article 2 (commencing with Section 670) of Chapter 3 of Division 1 of the Streets and Highways Code. Installations in county highways and city streets are subject to similar encroachment permits.

(b) In addition to any power described in subdivision (a), the district may, to the extent that it is not expressly provided for in subdivision (a), develop, lease, jointly develop, or jointly use air rights, land rights, development rights, rights-of-way, rail trackage, entrances and exits, and any and all fixed facilities and structures physically or functionally related to transit service.

(c) Construction projects or works of improvement for facilities authorized by the district under the terms of a joint development agreement that is approved under the authority conferred by this section shall be considered a public works project subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and shall be enforced by the Department of Industrial Relations in the same manner in which it carries out this responsibility under the Labor 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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 251

An act to amend Sections 2272 and 41871 of the Food and Agricultural Code, and to repeal Section 2 of, and to add Section 2 to, Chapter 252 of the Statutes of 1990, relating to agriculture.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 2272 of the Food and Agricultural Code is amended to read:

2272. The commissioner shall make an annual report to the director on the condition of agriculture in his or her county and on what is being done to eradicate, control, or manage pests, and actions relating to the exclusion of pests or quarantine against pests. The commissioner may include in the annual report information relating to organic farming methods, biotechnology, integrated pest management, and biological control activities in the county. The commissioner shall also furnish from time to time to the director any other information the director may require.

SEC. 1.5. Section 41871 of the Food and Agricultural Code is amended to read:

41871. This chapter shall remain in effect only until January 1, 1999, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1999, deletes or extends that date.

SEC. 2. Section 2 of Chapter 252 of the Statutes of 1990 is repealed.

SEC. 3. Section 2 is added to Chapter 252 of the Statutes of 1990, to read:

Sec. 2. With respect to any costs incurred by a local agency pursuant to this act on or after January 1, 1994, no appropriation is made by this act, nor is any obligation created under Section 17610 of the Government Code, for the reimbursement of any local agency for any costs that may be incurred by it in carrying on any program or performing any service required to be carried on or performed by

it by this act.

SEC. 4. No reimbursement is required by Section 1.5 of 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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 252

An act to amend Section 243.2 of the Penal Code, relating to battery.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 243.2 of the Penal Code is amended to read:

243.2. (a) Except as otherwise provided in Section 243.6, when a battery is committed on school property, park property, or the grounds of a public or private hospital, against any person, the battery 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.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Hospital" means a facility for the diagnosis, care, and treatment of human illness that is subject to, or specifically exempted from, the licensure requirements of Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(2) "Park" means any publicly maintained or operated park. It does not include any facility when used for professional sports or commercial events.

(3) "School" means any elementary school, junior high school, four-year high school, senior high school, adult school or any branch thereof, opportunity school, continuation high school, regional occupational center, evening high school, technical school, or community college.

(c) This section shall not apply to conduct arising during the course of an otherwise lawful labor dispute.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 253

An act to add Section 11475.8 to the Welfare and Institutions Code, relating to child support.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 11475.8 is added to the Welfare and Institutions Code, to read:

11475.8. (a) The Legislature finds and declares all of the following:

(1) The Legislative Analyst has found that county child support enforcement programs provide a net increase in revenues to the state.

(2) The state has a fiscal interest in ensuring that county child support enforcement programs perform efficiently.

(3) The state does not provide information to counties on child support enforcement programs, based on common denominators that would facilitate comparison of program performance.

(4) Providing this information would allow county officials to monitor program performance and to make appropriate modifications to improve program efficiency.

(b) The department shall compile information on each county child support enforcement program beginning with the 1992–93 fiscal year, and for each subsequent fiscal year, using all of the following performance measures:

(1) The amount, in dollars, that a county received from federal and state incentive payments and from recoupment of Aid to Families with Dependent Children program payments, per county dollar spent on child support enforcement administrative costs.

(2) The ratio, in percentage terms, of children in cases for whom paternity was established during the fiscal year, as compared to the number of children in open cases for whom paternity had not yet been established during the fiscal year.

(3) The ratio, in percentage terms, of cases where a parent was located during the fiscal year, as compared to the number of open cases where a parent had not yet been located during the fiscal year.

(4) The ratio, in percentage terms, of cases where a support order was established during the fiscal year, as compared to the number of cases where a support order had not yet been established during the fiscal year.

(c) The department shall provide the information for all counties for the 1992–93 fiscal year to each member of a county board of supervisors, county executive officer, district attorney, and the appropriate policy committees and fiscal committees of the Legislature by March 31, 1994. The department shall provide the information for each subsequent fiscal year no later than nine months following the end of the fiscal year. The department shall present the information in a manner that facilitates comparison of county performance.

CHAPTER 254

An act to amend Section 33213 of the Public Resources Code, relating to the Santa Monica Mountains Conservancy.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 33213 of the Public Resources Code is amended to read:

33213. (a) The Santa Monica Mountains Conservancy Advisory Committee is hereby created. The advisory committee consists of 17 members, as follows:

(1) Six representatives of local governments from jurisdictions including the Santa Monica Mountains, one of whom shall be appointed by the Mayor of the City of Los Angeles, one of whom shall be appointed by the Board of Supervisors of the County of Los Angeles, one of whom shall be appointed by the City Council of the City of Thousand Oaks, one of whom shall be appointed by the Board of Supervisors of the County of Ventura, one of whom shall be jointly appointed by the City Councils of the Cities of Agoura Hills and Westlake Village, and one of whom shall be jointly appointed by the City Councils of the Cities of Malibu and Calabasas.

(2) Six public members, two of whom shall be appointed by the Governor, two of whom shall be appointed by the Senate Committee on Rules, and two of whom shall be appointed by the Speaker of the Assembly.

(3) One representative of the Rancho Simi Recreation and Park District, to be appointed by the district board of directors.

(4) One representative of the Conejo Recreation and Park District, to be appointed by the district board of directors.

(5) One representative of the Pleasant Valley Recreation and

Park District, to be appointed by the district board of directors.

(6) One representative of the City of Santa Clarita, to be appointed by the city council.

(7) One representative of the City of Moorpark, to be appointed by the city council.

(b) The appointing powers shall make every effort to ensure that the ethnic and racial composition of the advisory committee reflects the racial and ethnic composition of the population of the state.

(c) The advisory committee shall select from among its members a chairperson and a vice chairperson.

(d) The members of the advisory committee shall serve without compensation, but shall be reimbursed for necessary expenses incurred in the performance of their duties.

(e) The advisory committee has the following duties:

(1) Propose and review projects for conservancy action and report to the conservancy regarding the conformity of the projects with the plan.

(2) Review proposed amendments to the plan.

(3) Provide opportunities for public participation.

(f) Nine members of the advisory committee shall constitute a quorum for the transaction of any business of the advisory committee.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 255

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

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. The licensing requirements for auctioneers and auction companies, set forth in Article 3 (commencing with Section 5730) of Chapter 3.7 of Division 3 of the Business and Professions Code, are hereby suspended and shall be inoperative upon the effective date of this section. This section shall remain in effect only until Article 3 (commencing with Section 5730) of Chapter 3.7 of Division 3 of the Business and Professions Code is repealed or until

a state agency or commission is designated to permit and enforce compliance with these 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:

The Budget Act for the 1992–1993 fiscal year does not provide funding for the Auctioneer Commission, but requires that moneys in the Auctioneer Commission Fund be transferred to the General Fund, thereby eliminating funds for the commission. However, the commission continues to have authority to operate, but has no funding to license auctioneers or auction companies or to renew their licenses. In order to eliminate confusion over the commission's operation, it is necessary that this act take effect immediately.

CHAPTER 256

An act to add Section 130110 to the Public Utilities Code, relating to transportation.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 130110 is added to the Public Utilities Code, to read:

130110. (a) For employees of the Los Angeles County Metropolitan Transportation Authority not in a bargaining unit represented by a labor organization, the authority shall establish retirement benefits pursuant to Article 1 (commencing with Section 30400) and Article 2 (commencing with Section 30430) of Chapter 4 of Part 3 of Division 10.

(b) Retirement benefits for employees of the authority in a bargaining unit represented by a labor organization shall be established pursuant to Article 3 (commencing with Section 30450) of Chapter 4 of Part 3 of Division 10.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 257

An act to amend Sections 6359.4 of, and to repeal Sections 6015.5 and 6359.5 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 6015.5 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 6359.4 of the Revenue and Taxation Code is amended to read:

6359.4. (a) Any vending machine operator is a consumer of, and shall not be considered a retailer of, food products which sell at retail for fifteen cents ($0.15) or less and which are actually sold through a vending machine.

(b) Notwithstanding subdivision (a), any vending machine operator is a consumer of, and shall not be considered a retailer of, food products, other than beverages or hot prepared food products, which are sold through a coin-operated bulk vending machine if the amount of each sale is twenty-five cents ($0.25) or less. For purposes of this subdivision, "bulk vending machine" means a vending machine containing unsorted food products, other than beverages or hot prepared food products which, upon insertion of a coin, dispenses those food products, including candy and confectionery, in approximately equal portions, at random, and without selection by the customer.

SEC. 3. Section 6359.5 of the Revenue and Taxation Code is repealed.

CHAPTER 258

An act to amend Sections 17053.11, 17250, and 23623 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 17053.11 of the Revenue and Taxation Code is amended to read:

17053.11. (a) There shall be allowed as a credit against the "net tax" (as defined in Section 17039) for the taxable year the amount determined in subdivisions (c) and (d) for a qualified business which hires a qualified employee.

(b) For purposes of this section:

(1) "Qualified business" means either (A) a qualified business, as defined in Section 7082 of the Government Code, or (B) a qualified business, as defined in Section 7082 of the Government Code, except that the percentage requirements with respect to employment of residents of a high-density unemployment area shall be applicable only to those employees hired within the 12 months immediately preceding the date that the business seeks certification from the Department of Commerce and not to the entire workforce of the business. A business that qualifies under clause (B) shall be a qualified business only for the purposes of this section, provided that the Department of Commerce certifies that the business meets the standards set forth in this paragraph.

(2) "Qualified employee" means an employee who has been an unemployed resident of a high-density unemployment area (as defined in Section 7082 of the Government Code) prior to being employed by the qualified business. For the purposes of this section, participation by a prospective employee in a state or federally funded job training or work demonstration program shall not constitute employment, or affect the eligibility of an otherwise qualified employee. Qualified employee includes an otherwise qualified employee who is employed by a qualified business in the 90 days prior to its certification by the Department of Commerce as a qualified business for the purpose of becoming eligible for that certification.

(c) The credit provided for each qualified employee who has been unemployed for at least six months prior to being employed pursuant to subdivision (a), shall be an amount equal to the sum of each of the following:

(1) Fifty percent for qualified wages in the first year of employment.

(2) Forty percent for qualified wages in the second year of employment.

(3) Thirty percent for qualified wages in the third year of employment.

(4) Twenty percent for qualified wages in the fourth year of employment.

(5) Ten percent for qualified wages in the fifth year of employment.

(d) The credit provided for each qualified employee who has been unemployed for at least three months but less than six months prior to being employed shall be 25 percent of qualified wages for the first year of employment; however, the credit for the second year of employment shall be that provided in paragraph (2) of subdivision (c), the credit for the third year of employment shall be that provided in paragraph (3) of subdivision (c), the credit for the fourth year of employment shall be that provided in paragraph (4) of subdivision (c), and the credit for the fifth year of employment shall be that provided in paragraph (5) of subdivision (c).

(e) For purposes of this section, "qualified wages" means that portion of wages not in excess of 150 percent of the minimum hourly wage paid or incurred by the qualified business during the taxable year to the qualified employee.

(f) (1) If the employment of any employee with respect to whom qualified wages are taken into account under subdivision (c) or (d) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) shall not apply to any of the following:

(A) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(B) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(C) A termination of employment of an individual, if it is determined under the applicable unemployment compensation provisions that the termination was due to the misconduct of that individual.

(D) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer other than regularly occurring seasonal reductions.

(E) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both number of employees and hours of employment.

(F) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in that trade or business and the taxpayer retained a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(g) In the case of an estate or trust—

(1) The qualified wages for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

(2) Any beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated (for purposes of this part) as the employer with respect to those wages.

(h) The credit shall be reduced by the credit allowed under Section 17053.7. The credit shall also be reduced by the federal credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of the credit.

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

(j) The amount of the credit allowed by this section for any taxable year shall not exceed the amount of tax which would be imposed on the income attributed to business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) as if that attributed income represented all of the income of the taxpayer subject to tax under this part. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified for purposes of this section as follows:

(1) For taxable years beginning on or after January 1, 1991, and ending on or before December 31, 1996, income shall be apportioned to the program area by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is two.

(2) "The program area" shall be substituted for "this state."

SEC. 2. Section 17250 of the Revenue and Taxation Code is amended to read:

17250. (a) (1) Section 168 of the Internal Revenue Code, relating to the accelerated cost recovery system, shall apply to assets placed in service on or after January 1, 1987, in taxable years beginning on or after January 1, 1987.

(2) In the case of assets placed in service on or after January 1, 1987, in taxable years beginning prior to January 1, 1987, a taxpayer may elect to have Sections 168 and 179 of the Internal Revenue Code apply by doing all of the following:

(A) Making an election on the return for the first taxable year beginning on or after January 1, 1987.

(B) Establishing a depreciation adjustment account for each asset (or group of assets) in an amount equal to the difference between the depreciation allowed on the federal return for each asset (or group of assets) and the depreciation allowed under this part.

(C) The depreciation adjustment account (or accounts) established under subparagraph (B) shall be amortized over 60 months beginning with the first taxable year beginning on or after January 1, 1987.

(3) In the case of assets placed in service prior to January 1, 1987, in taxable years beginning prior to January 1, 1987, Section 168 of the Internal Revenue Code shall apply only to residential rental

property as provided by former Section 17250.5 (as amended by Chapter 1461 of the Statutes of 1985).

(b) For purposes of subdivision (a), any reference to "tax imposed by this chapter" in Section 168 of the Internal Revenue Code means "net tax," as defined in Section 17039.

(c) For purposes of paragraph (1) of subdivision (a), Section 168 of the Internal Revenue Code shall be modified as follows:

(1) Section 168(e)(3) shall be modified to provide that any grapevine, replaced in a vineyard in California in any taxable year beginning on or after January 1, 1992, as a direct result of a phylloxera infestation in that vineyard, shall be "five-year property," rather than "10-year property."

(2) Section 168(g)(3) of the Internal Revenue Code shall be modified to provide that any grapevine, replaced in a vineyard in California in any taxable year beginning on or after January 1, 1992, as a direct result of a phylloxera infestation in that vineyard, shall have a class life of 10 years.

(d) Every taxpayer claiming a depreciation deduction with respect to grapevines as described in subdivision (c) shall obtain a written certification from an independent state-certified integrated pest management advisor, or a state agricultural commissioner or advisor, that specifies that the replanting was necessary to restore a vineyard infested with phylloxera. The taxpayer shall retain the certification for future audit purposes.

(e) The deduction for amortization of pollution control facilities shall be determined in accordance with Section 169 of the Internal Revenue Code, except that the deduction shall be available only with respect to facilities located in this state, and the "state certifying authority," as defined in Section 169(d)(2) of the Internal Revenue Code, means the State Air Resources Board, in the case of air pollution, and the State Water Resources Control Board, in the case of water pollution.

(f) For property used in a trade or business, or held for production of income, there shall be allowed as a depreciation deduction a reasonable allowance for the cost of a solar energy system and allowable conservation measures over a 60-month period for taxable years beginning before January 1, 1987.

(g) The provisions of Section 7622(c)[e] of Public Law 101-239, relating to the effective date of changes in treatment of transfers of franchises, trademarks, and trade names, shall apply.

(h) The provisions of Section 7645(b) of Public Law 101-239, relating to the effective date of disallowance of depreciation for certain term interests, shall apply.

SEC. 3. Section 23623 of the Revenue and Taxation Code is amended to read:

23623. (a) There shall be allowed as a credit against the "tax" (as defined by Section 23036) the amount determined in subdivisions (c) and (d) for a qualified business which hires a qualified employee.

(b) For purposes of this section:

(1) "Qualified business" means either (A) a qualified business, as defined in Section 7082 of the Government Code, or (B) a qualified business, as defined in Section 7082 of the Government Code, except that the percentage requirements with respect to employment of residents of a high-density unemployment area shall be applicable only to those employees hired within the 12 months immediately preceding the date that the business seeks certification from the Department of Commerce and not to the entire workforce of the business. A business that qualifies under clause (B) shall be a qualified business only for the purposes of this section, provided that the Department of Commerce certifies that the business meets the standards set forth in this paragraph.

(2) "Qualified employee" means an employee who has been an unemployed resident of a high-density unemployment area (as defined in Section 7082 of the Government Code) prior to being employed by the qualified business. For the purposes of this section, participation by a prospective employee in a state or federally funded job training or work demonstration program shall not constitute employment, or affect the eligibility of an otherwise qualified employee. Qualified employee includes an otherwise qualified employee who is employed by a qualified business in the 90 days prior to its certification by the Department of Commerce as a qualified business for the purpose of becoming eligible for that certification.

(c) The credit provided for each qualified employee who has been unemployed for at least six months prior to being employed pursuant to subdivision (a) shall be an amount equal to the sum of each of the following:

(1) Fifty percent for qualified wages in the first year of employment.

(2) Forty percent for qualified wages in the second year of employment.

(3) Thirty percent for qualified wages in the third year of employment.

(4) Twenty percent for qualified wages in the fourth year of employment.

(5) Ten percent for qualified wages in the fifth year of employment.

(d) The credit provided for each qualified employee who has been unemployed for at least three months but less than six months prior to being employed shall be 25 percent of qualified wages for the first year of employment; however, the credit for the second year of employment shall be that provided in paragraph (2) of subdivision (c), the credit for the third year of employment shall be that provided in paragraph (3) of subdivision (c), the credit for the fourth year of employment shall be that provided in paragraph (4) of subdivision (c), and the credit for the fifth year of employment shall be that provided in paragraph (5) of subdivision (c).

(e) For purposes of this section, "qualified wages" means that

portion of wages not in excess of 150 percent of the minimum hourly wage paid or incurred by the qualified business during the income year to the qualified employee.

(f) (1) If the employment of any employee with respect to whom qualified wages are taken into account under subdivision (c) or (d) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the income year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) shall not apply to any of the following:

(A) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(B) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(C) A termination of employment of an individual, if it is determined under the applicable unemployment compensation provisions that the termination was due to the misconduct of that individual.

(D) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer other than regularly occurring seasonal reductions.

(E) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both number of employees and hours of employment.

(F) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retained a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(g) The credit shall be reduced by the credit allowed under Section 23621. The credit shall also be reduced by the federal credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of the credit.

(h) In the case where the credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax"

in the following year, and succeeding years if necessary, until the credit has been exhausted.

(i) The amount of the credit allowed by this section for any year shall not exceed the amount of tax which would be imposed on the income attributed to business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) as if that attributed income represented all of the income of the taxpayer subject to tax under this part. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17, modified for purposes of this section as follows:

(1) For income years beginning on or after January 1, 1991, and ending on or before December 31, 1996, income shall be apportioned to the program area by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is two.

(2) "The program area" shall be substituted for "this state."

CHAPTER 259

An act to amend Sections 10664, 10904, and 10906 of, and to add Sections 10502.6 and 10667 to, the Fish and Game Code, relating to marine life refuges, and making an appropriation therefor.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 10502.6 is added to the Fish and Game Code, to read:

10502.6. (a) The director may appoint a Director of the Dana Point Marine Life Refuge.

(b) Except as otherwise provided in this section, no state funds, including, but not limited to, the Fish and Game Preservation Fund, shall be used to pay the compensation or expenses of the Director of the Dana Point Marine Life Refuge. A city, county, or special district may use any funds, including state funds appropriated to the city, county, or special district, to pay the compensation and expenses of the director and a public postsecondary educational institution may use private or state funds to pay the compensation and expenses of the director.

(c) The Director of the Dana Point Marine Life Refuge may issue a permit authorizing any person to enter the Dana Point Marine Life Refuge for the purpose of taking fish or marine plants under the conditions that the department determines to be necessary for the protection and propagation of fish and wildlife and related scientific purposes in that refuge.

(d) The Director of the Dana Point Marine Life Refuge shall erect and maintain signs identifying the boundaries of the Dana Point Marine Life Refuge. The signs shall contain notification regarding the permit requirements of the refuge. The signs shall specify that an access permit shall be obtained from the Director of the Dana Point Marine Life Refuge and a scientific collector's permit from the department in order to take any fish or specimen of marine plant life.

SEC. 2. Section 10664 of the Fish and Game Code is amended to read:

10664. In the Laguna Beach, Newport Beach, Point Fermin, South Laguna Beach, 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. 3. Section 10667 is added to the Fish and Game Code, to read:

10667. (a) In the Dana Point Marine Life Refuge below the intertidal zone, 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.

(b) Except as expressly provided in this section, it is unlawful to enter the intertidal zone in the Dana Point Marine Life Refuge for the purpose of taking or possessing, or to take or possess, any species of fish, plant, or invertebrate, or part thereof, to use or have in possession any contrivance designed to be used for catching fish, to disturb any native plant, fish, wildlife, aquatic organism, or to take or disturb any natural geological feature. This subdivision does not prohibit persons from entering the intertidal zone for the purpose of entertainment, recreation, and education while having a minimum impact on the intertidal environment and the living organisms therein. For this purpose, minimum impact includes foot traffic, general observation of organisms in their environment with immediate replacement of any unattached organisms to their natural

location after temporary lifting for examination, and photography. Minimum impact does not include removal of attached organisms from their environment, gathering of fishing bait, littering, collecting rocks and shells, or turning rocks or other acts destructive to the environment.

(c) For the purposes of this section, "intertidal zone" means the area of the refuge between the mean lower low-water mark and the mean high-tide line described in Section 10907.

(d) Notwithstanding subdivision (a) or (b), the Director of the Dana Point Marine Life Refuge, or any person, who has a scientific collector's permit from the department, to whom the Director of the Dana Point Marine Life Refuge has issued a permit pursuant to Section 10502.6, may take, for scientific purposes, any fish or specimen of marine plant life under the conditions prescribed by the department pursuant to Section 10502.6.

(e) This section does not prohibit the entry of state and local law enforcement officers, fire suppression agencies, and employees of the department in the performance of their official duties. This section does not prohibit or restrict navigation in the Dana Point Marine Life Refuge pursuant to federal law.

SEC. 4. Section 10904 of the Fish and Game Code is amended to read:

10904. The following constitutes a marine life refuge and shall be designated as the Laguna Beach Marine Life Refuge:

That portion of District 19 consisting of that certain parcel of land bounded by a line commencing at the mean high tide of the Pacific Ocean lying on the northern boundary of the City of Laguna Beach and running for a distance of 600 feet into the Pacific Ocean along that boundary, and thence generally southeastward and generally parallel to the shoreline at a distance of approximately 600 feet to the northern boundary of the South Laguna Beach Marine Life Refuge, and thence generally northeastward for a distance of approximately 700 feet to the mean high tide, and thence generally northwestward along the line of mean high tide to the point of beginning.

SEC. 5. Section 10906 of the Fish and Game Code is amended to read:

10906. The following constitutes a marine life refuge and shall be designated as the South Laguna Beach Marine Life Refuge:

That portion of District 19 consisting of land and ocean waters bounded by a line commencing at the intersection of the line of mean high tide of the Pacific Ocean and a line which bears South 48° 50′ 00″ West from the most westerly point of Lot 75 of Tract No. 702, as that tract is shown on a map recorded in Book 21, pages 1 to 3, Miscellaneous Maps, on file in the Office of the County Recorder of Orange County; thence running South 48° 50′ 00″ West approximately 600 feet to the minus 20 foot mean lower low water contour; thence southeasterly and generally parallel to the shoreline to the northerly boundary of the Niguel Marine Life Refuge; thence North 35° 57′ 06″ East to the line of mean high tide of the Pacific

Ocean; thence northwesterly along the line of mean high tide of the Pacific Ocean to the point of beginning.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 260

An act to amend Sections 15001, 15047, 15051, 15055, 15080, and 15081 of, add Sections 15082, 15084, and 15084.5 to, to repeal Section 15085 of, and to amend and renumber Sections 15083, 15084, and 15086 of, the Health and Safety Code, relating to hospital buildings.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 15001 of the Health and Safety Code is amended to read:

15001. It is the intent of the Legislature that hospitals, which house patients who have less than the capacity of normally healthy persons to protect themselves, and which must be reasonably capable of providing services to the public after a disaster, shall be designed and constructed to resist, insofar as practical, the forces generated by earthquakes, gravity, and winds. In order to accomplish this purpose, the Legislature intends to establish proper building standards for earthquake resistance based upon current knowledge, and intends that procedures for the design and construction of hospitals be subjected to independent review. It is the intent of the Legislature to preempt from local jurisdictions the enforcement of all building standards published in the California Building Standards Code relating to the regulation of hospital projects and the enforcement of other regulations adopted pursuant to this chapter, and all other applicable state laws, including plan checking and inspection of the design and details of the architectural, structural, mechanical, plumbing, electrical, and fire and panic safety systems, and the observation of construction. The Office of Statewide Health Planning and Development shall assume these responsibilities by establishing, maintaining, and operating separate, but coordinated, plan review and field inspection units

within the statewide office.

It is the intent of the Legislature that where local jurisdictions have more restrictive requirements for the enforcement of building standards, other building regulations, and construction supervision, these requirements shall be enforced by the statewide office.

It shall be the responsibility of each local jurisdiction to keep the Office of Statewide Health Planning and Development advised as to the existence of any more restrictive local requirements. Where a reasonable doubt exists as to whether the requirements of the local jurisdiction are more restrictive, the effect of these requirements shall be determined by the Hospital Building Safety Board.

It is further the intent of the Legislature that the Office of Statewide Health Planning and Development, with the advice of the Hospital Building Safety Board, may conduct or enter into contracts for research regarding the reduction or elimination of seismic or other safety hazards in hospital buildings or research regarding hospital building standards.

SEC. 2. Section 15047 of the Health and Safety Code is amended to read:

15047. All fees shall be paid into the State Treasury and credited to the Hospital Building Fund, which is hereby created and continuously appropriated without regard to fiscal years for the use of the statewide office, subject to approval of the Department of Finance, in carrying out this chapter. Adjustments in the amounts of the fees, as determined by the statewide office and approved by the Department of Finance, shall be made within the limits set in Section 15046 in order to maintain a reasonable working balance in the account. Notwithstanding any other provision of law, any moneys collected pursuant to this chapter contained in the hospital building fund established by the Department of Finance, that are in the fund on January 1, 1994, shall be available for expenditure in accordance with this section.

SEC. 3. Section 15051 of the Health and Safety Code is amended to read:

15051. (a) The hospital governing board or authority shall provide for and require competent and adequate inspection during construction or alteration by an inspector satisfactory to the architect or structural engineer, or both, and the statewide office. Except as otherwise provided in subdivision (b), the inspector shall act under the direction of the architect or structural engineer, or both, and be responsible to the board or authority. Nothing in this section shall be construed to prohibit any licensed architect, structural engineer, mechanical engineer, electrical engineer, or any facility maintenance personnel, if approved by the statewide office, from performing the duties of an inspector.

(b) If alterations or repairs are to be conducted under the supervision of a professional engineer pursuant to Section 15048, the inspector need only be satisfactory to the statewide office and to the professional engineer, and the inspector shall act under the direction

of the professional engineer.

(c) The statewide office shall make an inspection of the hospital buildings and of the work of construction or alteration as in its judgment is necessary or proper for the enforcement of this chapter and the protection of the safety of the public.

Whenever the statewide office finds a violation of this chapter which requires correction, the citation of the violation shall be issued to the hospital governing board or authority in writing and shall include a proper reference to the regulation or statute being violated.

(d) The statewide office shall approve one or more classes of inspectors that shall include, but not be limited to, all of the following:

(1) "A" inspectors, who may inspect all phases of construction, including, but not limited to, structural.

(2) "B" inspectors, who may inspect all phases of construction, except structural.

(3) "C" inspectors, who may inspect all phases of construction projects that the statewide office determines do not materially alter the mechanical, electrical, architectural, or structural integrity of the health facility.

SEC. 4. Section 15055 of the Health and Safety Code is amended to read:

15055. Except as provided in Sections 18929 and 18930, the statewide office shall from time to time make rules and regulations as it deems necessary, proper, or suitable to effectually carry out this chapter. The statewide office shall also propose and submit building standards to the California Building Standards Commission for adoption and approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13 relating to seismic safety for hospital buildings.

SEC. 5. Section 15080 of the Health and Safety Code is amended to read:

15080. There is in the statewide office a Hospital Building Safety Board that shall be appointed by the director. The board shall advise the director and, notwithstanding Section 13142.6 and except as provided in Section 18945, shall act as a board of appeals in all matters relating to the administration and enforcement of building standards relating to the design, construction, alteration, and seismic safety of hospital building projects submitted to the statewide office pursuant to this chapter.

Further, notwithstanding Section 13142.6, the board shall act as the board of appeals in matters relating to all fire and panic safety regulations and alternate means of protection determinations for hospital building projects submitted to the statewide office pursuant to this chapter.

SEC. 6. Section 15081 of the Health and Safety Code is amended to read:

15081. The board shall consist of 16 members appointed by the

director of the statewide office. Of the appointive members, two shall be structural engineers, two shall be architects, one shall be an engineering geologist, one shall be a geotechnical engineer, one shall be a mechanical engineer, one shall be an electrical engineer, one shall be a hospital facilities manager, one shall be a local building official, one shall be a general contractor, one shall be a fire and panic safety representative, one shall be a hospital inspector of record, and three shall be members of the general public.

SEC. 7. Section 15082 is added to the Health and Safety Code, to read:

15082. (a) Each member shall be appointed by the director for a term of four years and shall hold office until the appointment and qualification of his or her successor or until one year has elapsed since the expiration of the term for which he or she was appointed, whichever first occurs. No person shall serve as a member of the board for more than two consecutive terms. The director may remove any member of the board for neglect of duty or other just cause.

(b) The terms of the appointive members of the board who are in office before January 1, 1994, shall expire as follows:

(1) The terms of two members shall expire January 1, 1994.

(2) The terms of two members shall expire January 1, 1995.

(3)p The terms of two members shall expire January 1, 1996.

(4) The terms of two members shall expire January 1, 1997.

(5) The terms of three members shall expire January 1, 1998.

(6) The terms of three members shall expire January 1, 1999.

The terms shall expire in the same relative order as the original appointment dates.

(c) Vacancies occurring during a term shall be filled by appointment for the unexpired term.

SEC. 8. Section 15083 of the Health and Safety Code is amended and renumbered to read:

15085. The chair of the board shall be an appointive member and shall be elected by a majority of the appointive members.

SEC. 9. Section 15084 of the Health and Safety Code is amended and renumbered to read:

15086. The board shall be served by an executive director who shall be a member of the statewide office staff.

SEC. 10. Section 15084 is added to the Health and Safety Code, to read:

15084. (a) There shall be six ex officio members of the board, who shall be the director of the statewide office, the State Fire Marshal, the State Geologist, the Executive Director of the California Building Standards Commission, the State Director of Health Services, and the Deputy Director of the Division of Facilities Development in the statewide office, or their officially designated representatives.

(b) The director may also appoint up to three additional ex officio members, with the advice of the chair. On January 1, 1994,

director-appointed ex officio members may continue to serve until appointment of their successors by the director.

SEC. 11. Section 15084.5 is added to the Health and Safety Code, to read:

15084.5. (a) Only appointed members shall vote at board meetings.

(b) Appointed members, ex officio members, and others appointed to a committee, including an appeal committee, by the chair, may vote at committee meetings.

SEC. 12. Section 15085 of the Health and Safety Code is repealed.

SEC. 13. Section 15086 of the Health and Safety Code is amended and renumbered to read:

15083. Appointive members, except for the public members, shall be qualified by close connection with hospital design and construction and highly knowledgeable in their respective fields with particular reference to seismic safety. Appointive members, except for the public members, shall be appointed from nominees recommended by the governing bodies of the Structural Engineers Association of California; the American Institute of Architects; the Earthquake Engineering Research Institute; the Association of Engineering Geologists; the Consulting Engineers and Land Surveyors of California; the California Association of Local Building Officials; the American Society for Heating, Refrigerating, and Air-Conditioning Engineers, Inc.; the California Association of Hospitals and Health Systems; the Associated General Contractors of California; the American Construction Inspectors' Association; and the California Fire Chiefs' Association. Board members shall be residents of California.

CHAPTER 261

An act to amend Sections 44951 and 44955.5 of the Education Code, relating to school employees.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 44951 of the Education Code is amended to read:

44951. Unless a certificated employee holding a position requiring an administrative or supervisory credential is sent written notice deposited in the United States registered mail with postage prepaid and addressed to his or her last known address by March 15 that he or she may be released from his or her position for the following school year, or unless the signature of the employee is obtained by March 15 on the written notice that he or she may be

released from his or her position for the following year, he or she shall be continued in the position. The provisions of this section do not apply to a certificated employee who holds a written contract with an expiration date beyond the current school year, or to a certificated employee holding a position that is funded for less than a school year, or to a certificated employee assigned to an acting position whose continuing right to hold this position depends on being selected from an eligible list established for the position, or to the termination of employment pursuant to Section 44955.

SEC. 2. Section 44955.5 of the Education Code is amended to read:

44955.5. During the time period between five days after the enactment of the Budget Act and August 15 of the fiscal year to which that Budget Act applies, if the governing board of a school district determines that its total revenue limit per unit of average daily attendance for the fiscal year of that Budget Act has not increased by at least 2 percent, and if in the opinion of the governing board it is therefore necessary to decrease the number of permanent employees in the district, the governing board may terminate the services of any permanent or probationary certificated employees of the district, including employees holding a position that requires an administrative or supervisory credential. The termination shall be pursuant to Sections 44951 and 44955 but, notwithstanding anything to the contrary in Sections 44951 and 44955, in accordance with a schedule of notice and hearing adopted by the governing board.

CHAPTER 262

An act to amend Section 5134 of, and to add Section 5070.1 to, the Business and Professions Code, relating to accountants, and making an appropriation therefor.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 5070.1 is added to the Business and Professions Code, to read:

5070.1. (a) Upon application, an individual who holds a permit to practice public accountancy, including an expired permit which remains subject to renewal, may be issued a seal as evidence of the individual's status as a retired certified public accountant or retired public accountant. The seal shall be affixed to the individual's certificate of licensure.

(b) Notwithstanding the provisions of Article 3 (commencing with Section 5050), an individual issued a seal pursuant to subdivision (a) may be styled and known as a retired certified public accountant

or retired public accountant.

SEC. 2. Section 5134 of the Business and Professions Code is amended to read:

5134. The amount of fees prescribed by this chapter is as follows:

(a) The fee to be charged to each applicant for the certified public accountant examination shall be fixed by the board at an amount to equal the actual cost to the board of the purchase or development of the written examination, plus the estimated cost to the board of administering the written examination and shall not exceed two hundred fifty dollars ($250). The board may charge a reexamination fee equal to the actual cost to the board of the purchase or development of the written examination or any of its component parts, plus the estimated cost to the board of administering the written examination and not to exceed fifty dollars ($50) for each part that is subject to reexamination.

(b) The fee to be charged to out-of-state candidates for the certified public accountant examination shall be fixed by the board at an amount equal to the estimated cost to the board of administering the examination and shall not exceed one hundred fifty dollars ($150) per candidate.

(c) The application fee to be charged to each applicant for issuance of a certified public accountant certificate shall be fixed by the board at an amount equal to the estimated administrative cost to the board of processing and issuing the certificate and shall not exceed two hundred fifty dollars ($250).

(d) The application fee to be charged to each applicant for issuance of a certified public accountant certificate by waiver of examination shall be fixed by the board at an amount equal to the estimated administrative cost to the board of processing and issuing the certificate and shall not exceed two hundred fifty dollars ($250).

(e) The fee to be charged to each applicant for registration shall be fixed by the board and shall not exceed one hundred fifty dollars ($150).

(f) The board shall fix the biennial renewal fee so that, together with the estimated amount from revenue other than that generated by subdivisions (a) to (d), inclusive, the reserve balance in the board's contingent fund shall be equal to approximately three months of annual authorized expenditures. Any increase in the renewal fee made after July 1, 1990, shall be effective upon a determination by the board, by regulation adopted pursuant to subdivision (k), that additional moneys are required to fund authorized expenditures other than those specified in subdivisions (a) to (d), inclusive, and maintain the board's contingent fund reserve balance equal to three months of estimated annual authorized expenditures in the fiscal year in which the expenditures will occur. The biennial renewal fee shall not exceed two hundred fifty dollars ($250).

(g) The delinquency fee shall be 50 percent of the accrued renewal fee.

(h) The initial permit fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the permit is issued, except that, if the permit is issued one year or less before it will expire, then the initial permit fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the permit is issued. The board may, by regulation, provide for the waiver or refund of the initial permit fee where the permit is issued less than 45 days before the date on which it will expire.

(i) The fee to be charged for filing of sponsor agreements for continuing education courses shall be fixed by the board at not more than one hundred dollars ($100). Universities, colleges, or other four-year institutions of learning accredited by a regional or national accrediting agency or association included in a list of those agencies or associations published by the United States Commissioner of Education under the requirements of Section 253 of the Veteran's Readjustment Assistance Act of 1952, known as Public Law 550 of the 82nd Congress, as amended, are exempted from the payment of this filing fee.

(j) The actual and estimated costs referred to in this section shall be calculated every two years using a survey of all costs attributable to the applicable subdivision.

(k) Upon the effective date of this section the board shall fix the fees in accordance with the limits of this section and, on and after July 1, 1990, any increase in any fee fixed by the board shall be pursuant to regulation duly adopted by the board in accordance with the limits of this section.

(*l*) Fees collected pursuant to subdivisions (a) to (d), inclusive, shall be fixed by the board in amounts necessary to recover the actual costs of providing the service for which the fee is assessed, as projected for the fiscal year commencing on the date the fees become effective.

(m) The application fee to be charged to each applicant for issuance of a retired certified public accountant seal or a retired public accountant seal pursuant to Section 5070.1 shall be fixed by the board at an amount equal to the estimated administrative cost to the board of processing and issuing the seal and shall not exceed one hundred twenty-five dollars ($125).

CHAPTER 263

An act to amend Sections 1175, 1175.1, and 1175.2 of, to amend the heading of Part 3.5 (commencing with Section 1175) of Division 1 of, the Health and Safety Code, and to amend Sections 14499.5 and 14499.6 of the Welfare and Institutions Code, relating to health care.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. The heading of Part 3.5 (commencing with Section 1175) of Division 1 of the Health and Safety Code is amended to read:

PART 3.5. SANTA BARBARA REGIONAL HEALTH AUTHORITY ACT

SEC. 2. Section 1175 of the Health and Safety Code is amended to read:

1175. This part shall be known and may be cited as the Santa Barbara Regional Health Authority Act.

SEC. 3. Section 1175.1 of the Health and Safety Code is amended to read:

1175.1. The Board of Supervisors of the County of Santa Barbara may, by ordinance or resolution, order the formation of the Santa Barbara Regional Health Authority under this part which shall include all of the incorporated and unincorporated areas of the county.

SEC. 4. Section 1175.2 of the Health and Safety Code is amended to read:

1175.2. Unless the context otherwise requires, the provisions of this chapter govern the construction of this part. As used in this part:

(a) "Authority" means the Santa Barbara Regional Health Authority.

(b) "Board" means the Santa Barbara Regional Health Authority Board of Directors.

(c) "County" means the County of Santa Barbara.

(d) "Health care system" means any system established to arrange for the provision of medical services.

(e) "Public agency" means the United States, the State of California, any political subdivision, county, municipality, district, or agency of the State of California or of the United States and any department, bureau or commission of the State of California or of the United States.

(f) "Person" means any individual, firm, partnership, association, corporation, trust, business trust, or the receiver or trustee or conservator for any of the above, but does not include a public agency.

(g) "Professional advisory boards" means the boards appointed by the board of directors of the authority pursuant to its rules which shall consist of a representative cross-section of professional providers of health care services within the county.

(h) "Community advisory boards" means advisory boards to the authority's board appointed by the board of directors of the authority which shall consist of persons who represent community and consumer interests and who do not directly earn their income from the provision of medical health services.

SEC. 5. Section 14499.5 of the Welfare and Institutions Code is amended to read:

14499.5. (a) (1) In carrying out the intent of this article, the director shall contract for the operation of one local pilot program. Special consideration shall be given to approving a program contracted through county government in Santa Barbara County.

(2) Notwithstanding the limitations contained in Section 14490, the director may enter into, or extend, contracts with the local pilot program in Santa Barbara County pursuant to paragraph (1) for periods that do not exceed three years.

(b) The establishment of a pilot program pursuant to this section shall be contingent upon the availability of state and federal funding. The program shall include the following components:

(1) Local authority for administration, fiscal management, and delivery of services, but not including eligibility determination.

(2) Physician case management.

(3) Cost containment through provider incentives and other means.

(c) The program for the pilot project shall include a plan and budget for delivery of services, administration, and evaluation. During the first year of the pilot program, the amount of the state contract shall equal 95 percent of total projected Medi-Cal expenditures for delivery of services and for administration based on fee-for-service conditions in the program county. During the remaining years of the pilot project, Medi-Cal expenditures in the program county shall be no more than 100 percent of total projected expenditures for delivery of services and for administration based on any combination of the following paragraphs:

(1) Relevant prior fee-for-service Medi-Cal experience in the program county.

(2) The fee-for-service Medi-Cal experience in comparable counties or groups of counties.

(3) Medi-Cal experience of the pilot project in the program county if, as determined by the state department, the scope, level, and duration of, and expenditures for, any services used in setting the rates under this paragraph would be comparable to fee-for-service conditions were they to exist in the program county and would be more actuarially reliable for use in ratesetting than data available for use in applying paragraph (1) or (2).

The projected total expenditure shall be determined annually

according to an acceptable actuarial process. The data elements used by the department shall be shared with the proposed contractor.

(d) The director shall accept or reject the proposal within 30 days after the date of receipt. If a decision is made to reject the proposal, the director shall set forth the reasons for this decision in writing. Upon approval of the proposal, a contract shall be written within 60 days. After signature by the local contractor, the State Department of Health Services, the Department of General Services, and the Department of Finance shall execute the contract within 60 days.

(e) The director shall seek the necessary state and federal waivers to enable operation of the program. If the federal waivers for delivery of services under this plan are not granted, the department is under no obligation to contract for implementation of the program.

(f) For purposes of Section 1343 of the Health and Safety Code, the Santa Barbara Regional Health Authority shall be considered to be a county-operated pilot program contracting with the State Department of Health Services pursuant to this article, and notwithstanding any other provision of law, during the period that this contract is in effect, the contractor shall be exempt from the provisions of the Knox-Keene Health Care Service Plan Act of 1975, Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, relative to the services provided to Medi-Cal beneficiaries under the terms and provisions of the pilot program.

(g) Dental services may be included within the services provided in this pilot program.

(h) Any federal demonstration funding for this pilot program shall be made available to the county within 60 days upon notification of the award without the state retaining any portion not previously specified in the grant application as submitted.

(i) An independent evaluation of the program shall be conducted and a report submitted to the Legislature and the director by January 1, 1988. The independent evaluation of the program commissioned by the federal Health Care Financing Administration may fulfill the purposes of this part. This evaluation and report shall include, but is not limited to, the following:

(1) An assessment of the cost of medical services as compared to the cost of the existing Medi-Cal fee-for-service delivery mode.

(2) An assessment of utilization levels of specialist and emergency services.

(3) An assessment of the quality of care.

(4) Recommendations for future policy on delivery of services.

SEC. 6. Section 14499.6 of the Welfare and Institutions Code is amended to read:

14499.6. (a) The Santa Barbara Regional Health Authority may arrange with out-of-county Selective Provider Contracting Program hospitals that have negotiated hospital contracts and per diem rates under Article 5.1 (commencing with Section 14165) of Chapter 7, to

provide medically justified emergency services or to provide specialized hospital services not available within Santa Barbara County to Medi-Cal beneficiaries who reside in Santa Barbara County. The authority may arrange medically justified inpatient hospital services with out-of-county program hospitals for those beneficiaries whose county of residence for purposes of eligibility determination is Santa Barbara, but who for medical or legal reasons physically reside in a county other than Santa Barbara.

(b) The out-of-county program hospitals shall not charge the authority more than their program negotiated rates when providing hospital services to authority patients under this section, except as provided in subdivision (c).

(c) In cases where an out-of-county program hospital can demonstrate that the cost of the services it is rendering to authority patients was not contemplated in the case mix and acuity assumptions on which the program rates are based, the program hospital and the authority shall negotiate in good faith equitable rates for payment for the provision of hospital services to authority patients. The established program rate shall serve as the base for those negotiations.

(d) (1) Notwithstanding any other provision of law, any records maintained by the authority which would enable a determination to be made regarding rates negotiated pursuant to Article 5.1 (commencing with Section 14165) of Chapter 7, shall be exempt from the Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(2) The authority shall establish guidelines to ensure that these rates are maintained as confidential records and that access to these records is restricted.

(3) The authority shall submit the established guidelines to the department for approval.

CHAPTER 264

An act to amend Section 740.4 of the Public Utilities Code, relating to economic development.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 740.4 of the Public Utilities Code is amended to read:

740.4. (a) The commission shall authorize public utilities to engage in programs to encourage economic development.

(b) Reasonable expenses for economic development programs, as specified in this section, shall be allowed, to the extent of ratepayer

benefit, when setting rates to be charged by public utilities electing to initiate these programs.

(c) Economic development activities may include, but not be limited to, the following:

(1) Community marketing and development.

(2) Technical assistance to support technology transfer.

(3) Market research.

(4) Site inventories.

(5) Industrial and commercial expansion and relocation assistance.

(6) Business retention and recruitment.

(7) Management assistance.

(d) This section shall not be interpreted to permit the funding of economic development activities that benefit any affiliated companies or parent holding companies beyond that which is authorized by law as of January 1, 1992.

(e) (1) This section shall not authorize the commission to establish discriminatory rates for the purpose of attracting or benefiting specific industries or business entities, except that incentives may be provided for the benefit of industries or business entities located within the boundaries of enterprise zones or economic incentive areas in accordance with the provisions of Chapter 12.8 (commencing with Section 7070) and Article 1 (commencing with Section 7080) of Chapter 12.9 of Division 7 of Title 1 of the Government Code.

(2) The commission may apply the incentives authorized by this subdivision that benefit industries or business entities located within the boundaries of economic enterprise zones or incentive areas to attract a federal Department of Defense Finance and Accounting Service Center at the existing site of Norton Air Force Base in San Bernardino County. This paragraph shall become inoperative if the federal Department of Defense Finance and Accounting Service Center is not located upon the premises known as Norton Air Force Base in San Bernardino County and shall also become inoperative on February 1, 1994, if that facility has not been awarded to that site before that date.

(f) The commission may provide incentives pursuant to subdivision (e) to industries or business entities located within the boundaries of an enterprise zone that engage in activities in connection with the conversion of Fort Ord to other uses.

(g) It is the intent of the Legislature that the Public Utilities Commission, in implementing this chapter, shall allow rate recovery of expenses supporting economic development programs within the geographic area served by any public utility to the extent the utility incurring or proposing to incur, those expenses demonstrates that the ratepayers of the public utility will derive a benefit from those programs. Further, it is the intent of the Legislature that expenses for economic development programs incurred prior to the effective date of this chapter, which have not been previously authorized to

be recovered in rates, shall not be subject to rate recovery.

CHAPTER 265

An act to amend Section 65863.8 of the Government Code, relating to zoning.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 65863.8 of the Government Code is amended to read:

65863.8. A local agency to which application has been made for the conversion of a mobilehome park to another use shall, at least 30 days prior to a hearing or any other action on the application, inform the applicant in writing of the provisions of Section 798.56 of the Civil Code and all applicable local requirements which impose upon the applicant a duty to notify residents and mobilehome owners of the mobilehome park of the proposed change in use, and shall specify therein the manner in which the applicant shall verify that residents and mobilehome owners of the mobilehome park have been notified of the proposed change in use. Neither a hearing on the application, nor any other action thereon, shall be taken by the local agency before the applicant has satisfactorily verified that the residents and mobilehome owners have been so notified, in the manner prescribed by law or local regulation.

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 one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 266

An act to amend Sections 9300 and 9306 of the Family Code, relating to adult adoption.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 9300 of the Family Code is amended to read:

9300. (a) An adult may be adopted by another adult, including a stepparent, as provided in this part.

(b) A married minor may be adopted in the same manner as an adult under this part.

SEC. 2. Section 9306 of the Family Code is amended to read:

9306. (a) Except as provided in subdivision (b), the birth parents of a person adopted pursuant to this part are, from the time of the adoption, relieved of all parental duties towards, and all responsibility for, the adopted person, and have no right over the adopted person.

(b) Where an adult is adopted by the spouse of a birth parent, the parental rights and responsibilities of that birth parent are not affected by the adoption.

CHAPTER 267

An act relating to school district reorganization.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. The Legislature finds and declares as follows:

(a) The governing boards of the Alexander Valley Union Elementary School District, the Healdsburg Union Elementary School District, the Healdsburg Union High School District, and the West Side Union Elementary School District have initiated or may in the future initiate an action pursuant to Chapter 4 (commencing with Section 35700) of Part 21 of the Education Code to unify the Healdsburg Union Elementary School District and the Healdsburg Union High School District while leaving the Alexander Valley Union Elementary School District and the West Side Union Elementary School District as independent elementary school districts that feed into the Healdsburg Union High School District.

(b) Pursuant to the unification described in subdivision (a), the Alexander Valley Union Elementary School District and the West

Side Union Elementary School District shall be excluded from the unification action, shall continue as independent elementary school districts within the boundaries of the newly unified school district, and shall continue to serve pupils in kindergarten and grades 1 to 6, inclusive. All students in grades 7 to 12, inclusive, within the attendance areas of the Alexander Valley Union Elementary School District and the West Side Union Elementary School District shall attend school in the newly unified district.

SEC. 2. Notwithstanding any other provision of law, the action to unify the Healdsburg Union Elementary School District and the Healdsburg Union High School District shall be effective only if the Alexander Valley Union Elementary School District and the West Side Union Elementary School District remain as independent elementary school districts within the newly formed unified district. Notwithstanding Section 35542 of the Education Code, if unification occurs pursuant to Section 1 of this act, the Alexander Valley Union Elementary School District and the West Side Union Elementary School District shall remain as independent elementary school districts within the newly unified district. The Alexander Valley Union Elementary School District or the West Side Union Elementary School District may subsequently reorganize to unify with the newly formed unified district pursuant to Section 35700 of the Education Code.

SEC. 3. (a) If the unification specified in Section 1 of this act is completed, the pupils in grades 7 to 12, inclusive, who reside in the portions of the newly unified district served by the Alexander Valley Union Elementary School District and the West Side Union Elementary School District shall attend grades 7 to 12, inclusive, in the newly unified district under the same terms that they would have attended high school in the Healdsburg Union High School District.

(b) If the unification described in Section 1 of this act is completed, the pupils in grades kindergarten to 6, inclusive, who reside in the Alexander Valley Union Elementary School District and the West Side Union Elementary School District shall attend school in the Alexander Valley Union Elementary School District or the West Side Union Elementary School District under the same terms that they would have attended those districts prior to the unification action.

SEC. 4. Due to unique circumstances concerning the proposed unification of the Healdsburg Union High School District and the Healdsburg Union Elementary School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 5. Sections 1 to 4, inclusive, of this act shall remain in effect only until January 1, 1996, and as of that date are repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

CHAPTER 268

An act to amend Section 1337.6 of the Health and Safety Code, relating to nurse assistants.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 1337.6 of the Health and Safety Code is amended to read:

1337.6. (a) Certificates issued under this article shall be renewed every two years and renewal shall be conditional upon the certificate holder submitting documentation of completion of 48 hours of in-service training every two years obtained through an approved training program, or taught by a director of staff development for a licensed skilled nursing or intermediate care facility who has been approved by the state department, or by individuals or through programs approved by the state department. At least 12 of the 48 hours of in-service training shall be completed in each of the two years.

(b) Certificates issued under this article shall expire on the certificate holder's birthday. If the certificate is renewed more than 30 days after its expiration, the certificate holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this article.

(c) To renew an unexpired certificate, the certificate holder shall, on or before the certificate expiration date, apply for renewal on a form provided by the state department, pay the renewal fee prescribed by this article, and submit documentation of the required in-service training.

(d) The state department shall give written notice to a certificate holder 90 days in advance of the renewal date and, 90 days in advance of the expiration of the fourth year that a renewal fee has not been paid, and shall give written notice informing the certificate holder, in general terms, of the provisions of this article.

(e) Except as otherwise provided in this article, an expired certificate may be renewed at any time within four years after its expiration on the filing of an application for renewal on a form prescribed by the state department, and payment of the renewal fee in effect on the date the application is filed, and documentation of the required in-service education.

Renewal under this article shall be effective on the date on which the application is filed, on the date when the renewal fee is paid, or on the date on which the delinquency fee is paid, whichever occurs last. If so renewed, the certificate shall continue in effect until the date provided for in this article, when it shall expire if it is not again renewed.

(f) If a certified nurse assistant applies for renewal more than 30 days after expiration but within four years after the expiration, and demonstrates in writing to the state department's satisfaction why the renewal application was late, then the state department shall issue a renewal, upon payment of the renewal fee. If the certified nurse assistant demonstrates in writing to the state department's satisfaction why the certified nurse assistant cannot pay the delinquency fee, then the state department on a case-by-case basis shall consider waiving the delinquency fee. A suspended certificate is subject to expiration and shall be renewed as provided in this article, but this renewal does not entitle the certificate holder, while the certificate remains suspended, and, until it is reinstated, to engage in the certified activity, or in any other activity or conduct in violation of the order or judgment by which the certificate was suspended.

(g) A revoked certificate is subject to expiration as provided in this article, but it cannot be renewed. If reinstatement of the certificate is approved by the state department, the certificate holder, as a condition precedent to reinstatement, shall pay a reinstatement fee in an amount equal to the renewal fee in effect on the date the application for reinstatement is filed, plus the delinquency fee, if any, accrued at the time of its revocation.

(h) A certificate that is not renewed within four years after its expiration cannot be renewed, restored, reissued, or reinstated except upon completion of a certification program unless deemed otherwise by the state department if all of the following conditions are met:

(1) No fact, circumstance, or condition exists that, if the certificate were issued, would justify its revocation or suspension.

(2) The person pays the application fee provided for by this article.

(3) The person takes and passes any examination that may be required of an applicant for a new certificate at that time, that shall be given by an approved provider of a certification training program.

CHAPTER 269

An act to amend Sections 8516 and 8610 of the Business and Professions Code, relating to structural pest control.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 8516 of the Business and Professions Code is amended to read:

8516. (a) This section, and Section 8519, apply only to wood

destroying pests or organisms, but do not apply to work conducted pursuant to Section 8516.1.

(b) No registered company or licensee shall commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the absence or presence of wood destroying pests or organisms until an inspection has been made. The registered company shall retain for three years all field reports from which a verbal or written estimate of or solutions for work are made. A written inspection report conforming to this section and on a form prescribed by the board shall be prepared and delivered to the person requesting the inspection or to the person's designated agent. A copy of each report shall be filed with the board at the time the report is delivered or not later than five working days after the date the inspection is made. The report shall be delivered to the person requesting the inspection, or to the person's designated agent, before work is commenced. The following shall be set forth in the report:

(1) The date of the inspection and the name of the licensee making the inspection.

(2) The name and address of the person or firm ordering the report.

(3) The name and address of any person who is a party in interest to whom the board is to send certified copies of inspection reports and completion notices as provided in subdivision (i).

(4) The address or location of the property.

(5) A general description of the building or premises inspected.

(6) A foundation diagram or sketch of the structure or structures or portions of the structure or structures inspected, indicating thereon the approximate location of any infested or infected areas evident, and the parts of the structure where conditions which would ordinarily subject those parts to attack by wood destroying pests or organisms exist.

(7) Information regarding the substructure, foundation walls and footings, porches, patios and steps, air vents, abutments, attic spaces, roof framing that includes the eaves, rafters, fascias, exposed timbers, exposed sheathing, ceiling joists, and attic walls, or other parts subject to attack by wood destroying pests or organisms. Conditions usually deemed likely to lead to infestation or infection, such as earth contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation are to be reported.

(8) One of the following statements, as appropriate, printed in bold type:

(A) The exterior surface of the roof will not be inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractors' State License Board.

(B) The exterior surface of the roof was inspected to determine whether or not wood destroying pests or organisms are present.

(9) Indication or description of any areas that are inaccessible or

not inspected with suggestion for further inspection if practicable. If, after the report has been made in compliance with this section, authority is given later to open inaccessible areas, a supplementary report on conditions in these areas shall be made.

(10) Recommendations for corrective measures.

(11) Information regarding the pesticide or pesticides to be used for their control as set forth in subdivision (a) of Section 8538.

(12) The inspection report shall clearly disclose that if requested by the person ordering the original report, a reinspection of the structure will be performed if an estimate or bid for making repairs was given with the original inspection report, or thereafter.

An estimate or bid for repairs shall be given separately allocating the costs to perform each and every recommendation for corrective measures as specified in subdivision (c) with the original inspection report if the person who ordered the original inspection report so requests, and if the registered company is regularly in the business of performing corrective measures.

If no estimate or bid was given with the original inspection report, or thereafter, then the registered company shall not be required to perform a reinspection.

A reinspection shall be an inspection of those items previously listed on an original report to determine if the recommendations have been completed. Each reinspection shall be reported on an original inspection report form and shall be labeled "Reinspection" in capital letters by rubber stamp or typewritten. Each reinspection shall also identify the original report by date and stamp numbers.

After four months from an original inspection, all inspections shall be original inspections and not reinspections.

Any reinspection shall be performed for not more than the price of the registered company's original inspection price and shall be completed within 10 working days after a reinspection has been ordered.

(c) At the time a report is ordered, the registered company or licensee shall inform the person or entity ordering the report, that a separated report is available pursuant to this subdivision. If a separated report is requested at the time the inspection report is ordered, the registered company or licensee shall separately identify on the report each recommendation for corrective measures as follows:

(1) The infestation or infection which is evident.

(2) The conditions that are present which are deemed likely to lead to infestation or infection.

If a registered company or licensee fails to inform as required by this subdivision and a dispute arises, or if any other dispute arises as to whether this subdivision has been complied with, a separate report shall be provided within 24 hours of the request but, in no event, later than the next business day, and at no additional cost.

(d) When a corrective condition is identified, either as paragraph (1) or (2) of subdivision (c), and the responsible party, as negotiated

between the buyer and the seller, chooses not to correct those conditions, the registered company or licensee shall not be liable for damages resulting from a failure to correct those conditions or subject to any disciplinary action by the board. Nothing in this subdivision, however, shall relieve a registered company or a licensee of any liability resulting from negligence, fraud, dishonest dealing, other violations pursuant to this chapter, or contractual obligations between the registered company or licensee and the responsible parties.

(e) The inspection report form prescribed by the board shall separately identify paragraphs (1) and (2) of subdivision (c). Additionally, the form shall explain paragraphs (1) and (2) of subdivision (c) conditions and the difference between those conditions. In no event, however, shall conditions described pursuant to paragraph (2) of subdivision (c) be characterized as actual "defects" or as actual "active" infestations or infections or in need of correction as a precondition to issuing a certification pursuant to Section 8519.

(f) The report and any contract entered into shall also state specifically when any guarantee for the work is made, and if so, the specific terms of the guarantee and the period of time for which the guarantee shall be in effect.

(g) Control service is defined as the regular reinspection of a property after a report has been made in compliance with this section and such corrections as have been agreed upon have been completed. Under a control service agreement a registered company shall refer to the original report and contract in a manner as to identify them clearly, and the report shall be assumed to be a true report of conditions as originally issued, except it may be modified after a control service inspection. A registered company is not required to issue a report as outlined in paragraphs (1) to (9), inclusive, of subdivision (b) after each control service inspection. If after control service inspection, no modification of the original report is made in writing, then it will be assumed that conditions are as originally reported. A control service contract shall state specifically the particular wood destroying pests or organisms and the portions of the buildings or structures covered by the contract.

(h) A registered company or licensee may enter into and maintain a control services agreement provided the following requirements are met:

(1) The control services agreement shall be in writing, signed by both parties, and shall specifically include the following:

(A) The wood destroying pests and organisms deemed likely to lead to infestations or infections.

(B) The wood destroying pests and organisms covered by the control services agreement. Any pest or organism which is deemed likely to lead to infestations or infections that is not covered must be specifically listed.

(C) The type and manner of treatment to be used to correct the

infestations or infections.

(D) The structures or buildings, or portions thereof, covered by the agreement, including a statement specifying whether the coverage for purposes of periodic inspections is limited or full. Any exclusions from those described in the original report must be specifically listed.

(E) A reference to the original inspection report and agreement.

(F) The frequency of the inspections to be provided, the fee to be charged for each renewal, and the duration of the agreement.

(G) Whether the fee includes structural repairs.

(H) If the services provided are guaranteed, and, if so, the terms of the guarantee.

(I) A statement that all corrections of infestations or infections covered by the control services agreement shall be completed within six months of discovery, unless otherwise agreed to in writing by both parties.

(2) Inspections made pursuant to a control services agreement shall be conducted by a Branch 3 licensee. Section 8506.1 does not modify this provision.

(3) A full inspection of the property covered by the control services agreement shall be conducted and a report filed pursuant to subdivision (b) at least once every three years from the date that the agreement was entered into, unless the consumer cancels the contract within three years from the date the agreement was entered into.

(4) A written report shall be required for the correction of any infestation or infection unless all of the following conditions are met:

(A) The infestation or infection has been previously reported.

(B) The infestation or infection is covered by the control services agreement.

(C) There is no additional charge for correcting the infestation or infection.

(D) Correction of the infestation or infection takes place within 45 days of its discovery.

(E) Correction of the infestation or infection does not include fumigation.

(5) All notice requirements pursuant to Section 8538 shall apply to all pesticide treatments conducted under control services agreements.

(6) For purposes of this section, "control services agreement" means any agreement, including extended warranties, to have a licensee conduct over a period of time regular inspections and other activities related to the control or eradication of wood destroying pests and organisms.

(i) Whenever a report is filed pursuant to subdivision (b), the board shall forthwith send to any person or firm designated under paragraph (3) of that subdivision a certified copy of all inspection reports and completion notices made on the property and filed with the board during the preceding two years, if so requested and upon

payment of an appropriate search fee.

(j) All work recommended by a registered company, where an estimate or bid for making repairs was given with the original inspection report, or thereafter, shall be recorded on this report or a separate work agreement and shall specify a price for each recommendation. This information shall be provided to the person requesting the inspection, and shall be retained by the registered company with the inspection report copy for two years.

This section shall become operative on July 1, 1989.

SEC. 2. Section 8610 of the Business and Professions Code is amended to read:

8610. (a) Every company that engages in the practice of structural pest control, as a sole proprietorship, partnership, corporation, or other organization or any combination thereof, shall be registered with the Structural Pest Control Board. Each application for a company registration shall include the name of the company's owner if it is a sole proprietorship, the names of the partners, if it is a partnership, or the names of its officers and shareholders with 10 percent or more ownership interest, if it is a corporation, and the address of the company's principal office in this state.

(b) (1) A company registration shall not be issued to an applicant that has an officer, director, qualifying manager, responsible managing employee, or an individual who otherwise exercises dominion or control over the company, whose license or registration is revoked or suspended at the time of the application as the result of disciplinary action pursuant to this chapter.

(2) A company registration shall not be issued to an applicant that has an officer, director, qualifying manager, responsible managing employee, or an individual who otherwise exercises dominion or control over the company, who owns or has owned in the past more than a 10 percent interest in another sole proprietorship, partnership, corporation, or other organization that has its license or registration revoked or suspended at the time of the application as the result of disciplinary action pursuant to this chapter.

(c) Each registered company shall designate an individual or individuals who hold an operator's license to act as its qualifying manager or managers. The qualifying manager or managers must be licensed in each branch of pest control in which the company engages in business. The designated qualifying manager or managers shall supervise the daily business of the company and shall be available to supervise and assist all employees of the company, in accordance with regulations which the board may establish.

CHAPTER 270

An act to add Section 25659.5 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 25659.5 is added to the Business and Professions Code, to read:

25659.5. (a) Retail licensees selling keg beer for consumption off licensed premises shall place an identification tag on all kegs of beer at the time of sale and shall require the signing of a receipt for the keg of beer by the purchaser in order to allow kegs to be traced if the contents are used in violation of this article. The keg identification shall be in the form of a numbered label prescribed and supplied by the department that identifies the seller. The receipt shall be on a form prescribed and supplied by the department and shall include the name and address of the purchaser and the purchaser's driver's license number or equivalent form of identification number. A retailer shall not return any deposit upon the return of any keg that does not have the identification label required pursuant to subdivision (a).

(b) Any licensee selling keg beer for off premise consumption who fails to require the signing of a receipt at the time of sale and fails to place a numbered identification label on the keg shall be subject to disciplinary action pursuant to this division. The licensee shall retain a copy of the receipt, which shall be retained on the licensed premise for a period of six months. The receipt records shall be available for inspection and copying by the department or other authorized law enforcement agency.

(c) Possession of a keg containing beer with knowledge that the keg is not identified as required by subdivision (a) is a misdemeanor.

(d) Any purchaser of keg beer who knowingly provides false information as required by subdivision (a) is guilty of a misdemeanor.

(e) The identification label required pursuant to subdivision (a) shall be constructed of material and made attachable in such a manner as to make the label easily removable for the purpose of cleaning and reusing the keg by a beer manufacturer.

(f) The department is authorized to charge a fee not to exceed the actual cost of supplying receipt forms and identification labels required pursuant to subdivision (a). Fees collected pursuant to this subdivision shall be deposited in the Alcohol Beverage Control Fund.

(g) As used in this section, "keg" means any brewery-sealed, individual container of beer having a liquid capacity of six gallons or more.

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. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 271

An act to amend Section 3260 of the Civil Code, relating to works of improvement.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. Section 3260 of the Civil Code is amended to read:

3260. (a) This section is applicable with respect to all contracts entered into on or after July 1, 1991, relating to the construction of any private work of improvement. However, the amendments made to this section during the 1992 portion of the 1991–92 Regular Session of the Legislature are applicable only with respect to contracts entered into on or after January 1, 1993, relating to the construction of any private work of improvement. Moreover, the amendments made to this section during the 1993 portion of the 1993-94 Regular Session of the Legislature are applicable only with respect to contracts entered into on or after January 1, 1994, relating to the construction of any private work of improvement.

(b) The retention proceeds withheld from any payment by the owner from the original contractor, or by the original contractor from any subcontractor, shall be subject to this section.

(c) Within 45 days after the date of completion, the retention withheld by the owner shall be released. "Date of completion," for purposes of this section, means any of the following:

(1) The date of issuance of any certificate of occupancy covering the work by the public agency issuing the building permit.

(2) The date of completion indicated on a valid notice of completion recorded pursuant to Section 3093.

(3) The date of completion as defined in Section 3086.

However, release of retentions withheld for any portion of the work of improvement which ultimately will become the property of a public agency, may be conditioned upon the acceptance of the work by the public agency. In the event of a dispute between the

owner and the original contractor, the owner may withhold from the final payment an amount not to exceed 150 percent of the disputed amount.

(d) Subject to subdivision (e), within 10 days from the time that all or any portion of the retention proceeds are received by the original contractor, the original contractor shall pay each of its subcontractors from whom retention has been withheld, each subcontractor's share of the retention received. However, if a retention payment received by the original contractor is specifically designated for a particular subcontractor, payment of the retention shall be made to the designated subcontractor, if the payment is consistent with the terms of the subcontract.

(e) The original contractor may withhold from a subcontractor its portion of the retention proceeds if a bona fide dispute exists between the subcontractor and the original contractor. The amount withheld from the retention payment shall not exceed 150 percent of the estimated value of the disputed amount.

(f) Within 10 days of receipt of written notice by the owner from the original contractor or by the original contractor from the subcontractor, as the case may be, that any work in dispute has been completed in accordance with the terms of the contract, the owner or original contractor shall advise the notifying party of the acceptance or rejection of the disputed work. Within 10 days of acceptance of the disputed work, the owner or original contractor, as the case may be, shall release the retained portion of the retention proceeds.

(g) In the event that retention payments are not made within the time periods required by this section, the owner or original contractor withholding the unpaid amounts shall be subject to a charge of 2 percent per month on the improperly withheld amount, in lieu of any interest otherwise due. Additionally, in any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs.

(h) It shall be against public policy for any party to require any other party to waive any provision of this section.

(i) This section shall not be construed to apply to retentions withheld by a lender in accordance with the construction loan agreement.

CHAPTER 272

An act to amend Sections 39005 and 81033 of, and to repeal Section 81034 of, the Education Code, to amend Section 14007 of the Government Code, to amend Sections 21602, 99234, and 102051 of the Public Utilities Code, to amend Section 101.8 of, and to add Section 2121 to, the Streets and Highways Code, and to amend Sections 410, 635, 4453, 4461, 4604, 11713.3, 12500, 12502, 12505, 12517.2, 12524, 12802, 12804.2, 12804.7, 12810.5, 12812, 13352, 14606, 15250.5, 15250.6, 15255, 15255.1, 15275, 21456.1, 21801, 22450, 22651, 22658, 23157, 23161, 23166, 23168, 23186, 23195, 34500, 34505.1, 34505.6, 35581, 35780.3, 36305, and 40508 of, and to amend and repeal Sections 12804.9 and 12804.12 of, and to repeal Sections 12804 and 23157 of, the Vehicle Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 30, 1993. Filed with Secretary of State August 2, 1993.]

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

SECTION 1. This act shall be known and may be cited as the Omnibus Transportation Act of 1993.

SEC. 2. Section 39005 of the Education Code is amended to read:

39005. (a) The requirements set forth in this section are designed to promote the safety of pupils, comprehensive community planning, and greater educational usefulness of schoolsites.

(b) Before acquiring title to property for a new schoolsite, or for an addition to a present site, as to any site that is within two miles, measured by air line, of any point on an airport runway, or a runway proposed by an airport master plan, that is nearest the site, the governing board of each school district, including any district governed by a city board of education, shall give the Department of Transportation written notice of the proposed acquisition and shall submit any information required by the department. If the Department of Transportation is no longer in operation, the school district governing board shall, in lieu of notifying the Department of Transportation, notify the United States Department of Transportation or any other appropriate agency, in writing, of the proposed acquisition for the purpose of obtaining from the department or other agency any information or assistance that it may desire to give.

The Department of Transportation shall investigate the proposed site and, within 30 working days after receipt of the notice, shall submit to the governing board a written report and its recommendations concerning acquisition of the site. The governing board shall not acquire title to the property until the report of the Department of Transportation has been received. If the report does not favor the acquisition of the property for a schoolsite or an

addition to a present schoolsite, the governing board shall not acquire title to the property until 30 days after the department's report is received and until the department's report has been read at a public hearing duly called after 10 days' notice published once in a newspaper of general circulation within the school district or, if there is no such newspaper, in a newspaper of general circulation within the county in which the property is located.

SEC. 3. Section 81033 of the Education Code is amended to read:

81033. (a) The governing board of a community college district, prior to acquiring any site on which it proposes to construct any school building as defined in Section 81131 shall have the site, or sites, under consideration investigated by competent personnel to ensure that the final site selection is determined by an evaluation of all factors affecting the public interest and is not limited to selection on the basis of raw land cost only. If the prospective college site is located within the boundaries of any special studies zone or within an area designated as geologically hazardous in the safety element of the local general plan as provided in subdivision (g) of Section 65302 of the Government Code, the investigation shall include any geological and soil engineering studies by competent personnel needed to provide an assessment of the nature of the site and potential for earthquake or other geological hazard damage.

The geological and soil engineering studies of the site shall be of a nature as will preclude siting of a college in any location where the geological and site characteristics are such that the construction effort required to make the school building safe for occupancy is economically unfeasible. No studies are required to be made if the site or sites under consideration have been the subject of adequate prior studies. The evaluation shall also include location of the site with respect to population, transportation, water supply, waste disposal facilities, utilities, traffic hazards, surface drainage conditions, and other factors affecting the operating costs, as well as the initial costs, of the total project.

For the purposes of this article, a special studies zone is an area which is identified as a special studies zone on any map, or maps, compiled by the State Geologist pursuant to Chapter 7.5 (commencing with Section 2621) of Division 2 of the Public Resources Code. A copy of the report of each investigation conducted pursuant to this section shall be submitted to the board of governors.

(b) Geological and soil engineering studies as described in subdivision (a) shall be made, within the boundaries of any special studies zone, for the construction of any building as defined in Section 81131 or, if the estimated cost exceeds twenty thousand dollars ($20,000), for the reconstruction or alteration of or addition to any such building for work which alters structural elements. The Department of General Services may require similar geological and soil engineering studies for the construction or alteration of any building on a site located outside of the boundaries of any special

studies zone. These studies need not be made if the site under consideration has been the subject of adequate prior studies.

No building shall be constructed, reconstructed, or relocated on the trace of a geological fault along which surface rupture can reasonably be expected to occur within the life of the school building.

A copy of the report of each investigation conducted pursuant to this section shall be submitted to the Department of General Services pursuant to Article 7 (commencing with Section 81130) and to the Chancellor's office of the California Community Colleges. The cost of geological and soil engineering studies and investigations conducted pursuant to this section may be treated as a capital expenditure.

(c) To promote the safety of students, comprehensive community planning, and greater educational usefulness of community college sites, the governing board of each community college district, if the proposed site is within two miles, measured by air line, of that point on an airport runway, or runway proposed by an airport master plan, which is nearest the site and excluding them if the property is not so located, before acquiring title to property for a new community college site or for an addition to a present site, shall give the board of governors notice in writing of the proposed acquisition and shall submit any information required by the board of governors.

Immediately after receiving notice of the proposed acquisition of property which is within two miles, measured by air line, of that point on an airport runway, or runway proposed by an airport master plan, which is nearest the site, the board of governors shall notify the Division of Aeronautics of the Department of Transportation, in writing, of the proposed acquisition. The Division of Aeronautics shall make an investigation and report to the board of governors within 30 working days after receipt of the notice. If the Division of Aeronautics is no longer in operation, the board of governors shall, in lieu of notifying the Division of Aeronautics, notify the Federal Aviation Administration or any other appropriate agency, in writing, of the proposed acquisition for the purpose of obtaining from the authority or other agency any information or assistance it may desire to give.

The board of governors shall investigate the proposed site and within 35 working days after receipt of the notice shall submit to the governing board a written report and its recommendations concerning acquisition of the site. The governing board shall not acquire title to the property until the report of the board of governors has been received. If the report does not favor the acquisition of the property for a community college site or an addition to a present community college site, the governing board shall not acquire title to the property until 30 days after the department's report is received and until the board of governors' report has been read at a public hearing duly called after 10 days' notice published once in a newspaper of general circulation within the community college district, or if there is no such newspaper, then

in a newspaper of general circulation within the county in which the property is located.

(d) If, with respect to a proposed site located within two miles of an operative airport runway, the report of the board of governors submitted to a community college district governing board under subdivision (c) does not favor the acquisition of the site on the sole or partial basis of the unfavorable recommendation of the Division of Aeronautics of the Department of Transportation, no state agency or officer shall grant, apportion, or allow to that community college district for expenditure in connection with that site, any state funds otherwise made available under any state law whatever for community college site acquisition or college building construction, or for expansion of existing sites and buildings, and no funds of the community college district or of the county in which the district lies shall be expended for such purposes. However, the provisions of this section shall not be applicable to sites acquired prior to January 1, 1966, nor to any additions or extensions to those sites.

If the recommendation of the Division of Aeronautics is unfavorable, the recommendation shall not be overruled without the express approval of the board of governors and the State Allocation Board.

(e) No action undertaken by the board of governors or by any other state agency or by any political subdivision pursuant to this chapter, or in compliance with this chapter, shall be construed to affect any rights arising under the provisions of Section 19 of Article I of the California Constitution.

SEC. 4. Section 81034 of the Education Code is repealed.

SEC. 5. Section 14007 of the Government Code is amended to read:

14007. For the purpose of administration, the director shall organize the department with the approval of the Governor and the secretary in the manner that they deem necessary properly to segregate and conduct the work of the department.

The work of the department shall be divided into at least five divisions, known as the Division of Highways, Division of Aeronautics, Division of Mass Transportation, Division of Procurement and Services, and the Legal Division.

With the approval of the Governor and the secretary, the director may create, change, or abolish such other divisions and subdivisions as may be necessary.

Any reference in any law or regulation to the Division of Bay Toll Crossings shall be deemed to refer to the department.

SEC. 6. Section 21602 of the Public Utilities Code 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, to political subdivisions jointly, in 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, 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) Notwithstanding subdivision (a) of Section 21681, a city or county designated by the Airport Land Use Commission is eligible to compete for funds held in the Aeronautics Account in the State Transportation Fund on behalf of any privately owned, public use airport that is included in a Comprehensive Land Use Plan. However, the city or county shall be eligible to compete for the funds only when zoning on the parcel is tantamount to a taking of all reasonable uses that might otherwise be permitted on the parcel. The eligible airport and aviation purposes are limited to those specified in paragraphs (4), (5), (6), (9), and (14) of subdivision (f) of Section 21681, and, further, any such capital improvements or acquisitions shall become the property of the designated city or county. Matching funds pursuant to subdivision (a) of Section 21684 may include the in-kind contribution of real property, with the approval of the department.

(c) Any grant of funds held in the Aeronautics Account in the State Highway Account on behalf of any privately owned airports shall contain a covenant that the airport remain open for public use for 20 years. Any grant made to a city or county on behalf of a privately owned airport shall contain a payback provision based upon existing market value at the time the private airport ceases to be open for public use.

(d) Upon request, California Aid to Airports Program (CAAP) projects included within the adopted Aeronautics Program, may be funded in advance of the year programmed, with the concurrence of the department, in order to better utilize funds in the account.

(e) There is, in the Aeronautics Account in the State Transportation Fund, a subaccount for the management of funds for loans to local entities 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.

(f) Notwithstanding Section 13340 of the Government Code, the money in the subaccount created by subdivision (e) is hereby continuously appropriated to the department without regard to

fiscal years for purposes of loans to political subdivisions for airport purposes.

SEC. 7. Section 99234 of the Public Utilities Code is amended to read:

99234. (a) Claims for facilities provided for the exclusive use of pedestrians and bicycles or for bicycle safety education programs shall be filed according to the rules and regulations adopted by the transportation planning agency.

(b) The money shall be allocated for the construction, including related engineering expenses, of those facilities pursuant to procedures or criteria established by the transportation planning agency for the area within its jurisdiction, or for bicycle safety education programs.

(c) The money may be allocated for the maintenance of bicycling trails which are closed to motorized traffic pursuant to procedures or criteria established by the transportation planning agency for the area within its jurisdiction.

(d) The money may be allocated without respect to Section 99231 and shall not be included in determining the apportionments to a city or county for purposes of Sections 99233.7 to 99233.9, inclusive.

(e) Facilities provided for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable.

(f) Notwithstanding any other provision of this section, a planning agency established in Title 7.1 (commencing with Section 66500) of the Government Code may allocate the money to the Association of Bay Area Governments for activities required by Chapter 11 (commencing with Section 5850) of Division 5 of the Public Resources Code.

(g) Within 30 days after receiving a request for a review from any city or county, the transportation planning agency shall review its allocations made pursuant to Section 99233.3.

(h) In addition to the purposes authorized in this section, a portion of the amount available to a city or county pursuant to Section 99233.3 may be allocated to develop a comprehensive bicycle and pedestrian facilities plan, with an emphasis on bicycle projects intended to accommodate bicycle commuters rather than recreational bicycle users. An allocation under this subdivision may not be made more than once every five years.

SEC. 8. Section 102051 of the Public Utilities Code is amended to read:

102051. The district may comprise the Cities of Davis, Folsom, Roseville, Sacramento, and Woodland, and the following described unincorporated territory of the Counties of Sacramento and Yolo:

(a) The unincorporated territory of the County of Sacramento which may be included is described as follows:

(1) Beginning at the northeasterly corner of the Sacramento

County line running southeasterly to State Highway Route 50; thence southwesterly along Route 50 to Prairie City Road; thence southeasterly along Prairie City Road to White Rock Road; thence along White Rock Road to Grant Line Road; thence along Grant Line Road to Douglas Road; thence westerly along Douglas Road to Sunrise Blvd.; thence southerly along Sunrise Blvd. to Kiefer Blvd.; thence westerly along Kiefer Blvd. to Excelsior Road; thence southerly along Excelsior Road to Jackson Road; thence northwesterly along Jackson Road to Bradshaw Road; thence southerly along Bradshaw Road to Grant Line Road; thence westerly along Grant Line Road to State Highway Route 99; thence northwesterly along Route 99 to Elk Grove Blvd.; thence westerly along Elk Grove Blvd. to Bruceville Road; thence southerly along Bruceville Road to Bilby Road; thence westerly along Bilby Road to Franklin Blvd.; thence northeasterly along Franklin Blvd. to Elk Grove Blvd.; thence westerly along Elk Grove Blvd. to the intersection of State Highway Route 5; thence northerly along Route 5 to the Sacramento City Limits; thence along the Sacramento City Limits to the Sacramento River; thence along the Sacramento River upstream to the intersection of the Sacramento River and prolongation of San Juan Road; thence easterly along the prolongation of San Juan Road to the Sacramento City Limits; thence along the Sacramento City Limits to Elk Horn Blvd.; thence easterly along Elk Horn Blvd. to the Union Pacific Railroad; thence along the Union Pacific Railroad to Elverta Road; thence easterly along Elverta Road to 16th Street; thence northerly along 16th Street to the Sacramento County line; thence easterly along the Sacramento County line to the point of beginning, and excluding the Cities of Sacramento and Folsom.

(2) Beginning at the southwesterly corner of the intersection of Route 5 and Power Line Road; thence northerly along Power Line Road to Elverta Road; thence easterly along Elverta Road to Lone Tree Road; thence southerly along Lone Tree Road to Route 5; thence westerly along Route 5 to the point of beginning.

(3) All of that property known as the Sacramento County Metropolitan Airport in Natomas Elkhorn Subdivision and Sec. 36, T. 10 N., R. 3 E., M.D.B. & M. and filed for record the 29th day of January, 1968, at 4:45 P.M., in Book 26 of Surveys, at Page 12, in the office of the Sacramento County Recorder.

(4) Notwithstanding paragraphs (1), (2), and (3) of this subdivision, the unincorporated territory of the County of Sacramento included in the district shall include the same area as the urban service area proposed to be adopted by the County of Sacramento, as adopted and as hereafter amended.

(b) The unincorporated territory of the County of Yolo which may be included is described as follows:

(1) Beginning at the northeast corner of Sec. 36, T. 9 N., R. 3 E., M.D.B. & M.; thence north ½ mile along the west line of Sec. 30, T. 9 N., R. 4 E., to the west ¼ corner of Sec. 30; thence east ½ mile to

the center of Sec. 30; thence north ⅛ mile, more or less, to the north line of Swamp Land Survey No. 970, the point being on the centerline of Tule Lake Road; thence northeasterly along the north line of Swamp Land Survey No. 970 to the centerline of the Sacramento River; thence easterly and southerly down and along the Sacramento River to the south line of Swamp Land Survey No. 815; thence northwesterly along the south line of Swamp Land Survey No. 815 to its southwest corner; thence northeasterly along the west line of Swamp Land Survey No. 815 to a point where it is intersected by the quarter section line running east and west through Sec. 30, T. 8 N., R. 4 E.; thence west ¾ mile, more or less, to the east ¼ corner of Sec. 25, T. 8 N., R. 3 E.; thence north 5½ miles, more or less, to the point of beginning.

(2) Beginning at the intersection of State Highway Route 113 and the Yolo County line southern boundary; thence easterly along the Yolo County line southern boundary to the Davis City Limits; thence meandering along the Davis City Limits to Russell Boulevard; thence westerly along Russell Boulevard to Route 113; thence southerly along Route 113 to the point of beginning.

For purposes of this section, any reference to an avenue, boulevard, highway, railroad, road, or street includes the right-of-way thereof.

SEC. 9. Section 101.8 of the Streets and Highways Code is amended to read:

101.8. (a) The department may design, place, and maintain, or cause to be designed, placed, and maintained, along state highways, signs to inform motorists of rail transportation services which receive public funding, in whole or in part, unless the sign would result in incurring the penalty specified in subsection (b) of Section 131 of Title 23 of the United States Code.

(b) These signs may only be placed within the right-of-way of state highways that are parallel or adjacent to publicly funded passenger rail routes.

(c) The signs are information structures or information signs as those terms are used in Sections 5203 and 5221 of the Business and Professions Code.

SEC. 10. Section 2121 is added to the Streets and Highways Code, to read:

2121. (a) In May of each year each county shall submit to the department any additions or exclusions from its mileage of maintained county highways, specifying the termini and mileage of each route added or excluded from its county maintained roads. The department shall either approve or disapprove each such inclusion or exclusion and in the event of a disapproval the county shall have the right to appeal as provided in Section 74. The department shall as required by the Controller certify to him or her county mileage figures. No appeal shall affect any apportionment made by the Controller pending the determination of the appeal. If, on appeal, additional mileage is allowed the county, the department shall

immediately certify the corrected figure to the Controller, and the same shall be used for subsequent apportionments.

On relinquishing any state highway or portion thereof to a county, the department shall immediately certify to the Controller the mileage so relinquished and the same shall immediately be added to the county's maintained mileage of county roads for purposes of subsequent apportionments.

SEC. 11. Section 410 of the Vehicle Code is amended to read:

410. A "motor truck" or "motortruck" is a motor vehicle designed, used, or maintained primarily for the transportation of property.

SEC. 12. Section 635 of the Vehicle Code is amended to read:

635. A "trailer coach" is a vehicle, other than a motor vehicle, designed for human habitation or human occupancy for industrial, professional, or commercial purposes, for carrying property on its own structure, and for being drawn by a motor vehicle. A "park trailer," as described in subdivision (b) of Section 18010 of the Health and Safety Code, is a trailer coach.

SEC. 13. Section 4453 of the Vehicle Code is amended to read:

4453. (a) The registration card shall contain upon its face, the date issued, the name and residence or business address of the owner and of the legal owner, if any, the registration number assigned to the vehicle, and a description of the vehicle as complete as that required in the application for registration of the vehicle.

(b) A motor vehicle of a type included in this subdivision shall be identified as such on the face of the registration card, whenever the department is able to ascertain that fact, at the time application is made for initial registration or transfer of ownership of the vehicle.

(1) A motor vehicle rebuilt and restored to operation which was previously declared to be a total loss salvage vehicle because the cost of repairs exceeds the retail value of the vehicle.

(2) A motor vehicle rebuilt and restored to operation which was previously reported to be dismantled pursuant to Section 11520.

(3) A motor vehicle previously registered to a law enforcement agency and operated in law enforcement work.

(4) A motor vehicle formerly operated as a taxicab.

(5) A motor vehicle manufactured outside of the United States and not intended by the manufacturer for sale in the United States.

(6) A park trailer, as described in subdivision (b) of Section 18010 of the Health and Safety Code, which when moved upon the highway is required to be moved under a permit pursuant to Section 35780.

(7) A motor vehicle returned to a dealer or manufacturer pursuant to a consumer warranty law due to a defect, including vehicles with out-of-state titling documents that reflect a return.

(c) The director may modify the form, arrangement, and information appearing on the face of the registration card and may provide for standardization and abbreviation of fictitious or firm names on the registration card whenever the director finds that the

efficiency of the department will be promoted by so doing, except that general delivery or post office box numbers shall not be permitted as the address of the registered owner unless there is no other address.

SEC. 14. Section 4461 of the Vehicle Code is amended to read:

4461. (a) No person shall lend any certificate of ownership, registration card, license plate, special plate, validation tab, or permit issued to him or her if the person desiring to borrow it would not be entitled to its use, nor shall any person knowingly permit its use by one not entitled to it.

(b) No person to whom a disabled person placard has been issued shall lend the placard to any other person, nor shall any disabled person knowingly permit the use of the placard by one not entitled to it. A person to whom a disabled person placard has been issued may permit another person to use the placard only while in the presence or reasonable proximity of the disabled person for the purpose of transporting the disabled person. A violation of this subdivision is a misdemeanor.

(c) Except for the purpose of transporting disabled persons as specified in subdivision (b), no person shall display any disabled person placard that was not issued to him or her or that has been canceled or revoked pursuant to Section 22511.6. A violation of this subdivision is a misdemeanor.

(d) For the purposes of subdivisions (b) and (c), "disabled person placard" means a placard issued pursuant to Section 22511.55.

SEC. 15. Section 4604 of the Vehicle Code is amended to read:

4604. (a) Except as otherwise provided in subdivision (d), prior to the expiration of the registration of a vehicle, if that registration is not to be renewed prior to its expiration, the owner of the vehicle shall file, under penalty of perjury, a certification that the vehicle will not be operated, moved, or left standing upon any highway during the subsequent registration year without first making an application for registration of the vehicle, including full payment of all fees. The certification is valid only for the following registration year for the vehicle, but may be renewed annually not more than 60 days prior to its expiration.

(b) Each certification filed pursuant to subdivision (a) shall be accompanied by a filing fee of five dollars ($5).

(c) (1) An application for renewal of registration, except when accompanied by an application for transfer of title to, or any interest in, the vehicle, shall be submitted to the department with payment of the required fees for the current registration year and without penalty for delinquent payment of fees imposed under this code or under Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code if the department receives the application prior to or on the date the vehicle is first operated, moved, or left standing upon any highway during the current registration year and the certification required pursuant to subdivision (a) was timely filed with the department.

(2) If an application for renewal of registration is accompanied by an application for transfer of title, that application may be made without incurring a penalty for delinquent payment of fees not later than 20 days after the date the vehicle is first operated, moved, or left standing on any highway if a certification pursuant to subdivision (a) was timely filed with the department.

(d) A certification is not required to be filed pursuant to subdivision (a) for any of the following:

(1) A vehicle on which the registration expires while being held as inventory by a dealer or lessor-retailer or while being held pending a lien sale by the keeper of a garage or operator of a towing service.

(2) A vehicle registered pursuant to Article 4 (commencing with Section 8050) of Chapter 4 of Division 3.

(3) A vehicle described in Section 5004, 5004.5, 5004.6, or 5051, as provided in Section 4604.2. However, the registered owner may file a certificate of nonoperation in lieu of the certification specified in subdivision (a).

(4) A vehicle registered pursuant to Article 5 (commencing with Section 9700) of Chapter 6 if the registered owner has complied with subdivision (c) of Section 9706.

(e) For purposes of this section, a "vehicle" is, notwithstanding Section 670, a device by which any person or property may be propelled, moved, or driven upon a highway having intact and assembled its major component parts including, but not limited to, the frame or chassis, cowl, and floor pan or, in the case of a trailer, the frame and wheels or, in the case of a motorcycle, the frame, front fork, and engine. For purposes of this section, "vehicle" does not include a device moved exclusively by human power, a device used exclusively upon stationary rails or tracks, or a motorized wheelchair.

SEC. 16. Section 11713.3 of the Vehicle Code is amended to read:

11713.3. It is unlawful and a violation of this code for any manufacturer, manufacturer branch, distributor, or distributor branch licensed under this code to do any of the following:

(a) To refuse or fail to deliver in reasonable quantities and within a reasonable time after receipt of an order from a dealer having a franchise for the retail sale of any new vehicle sold or distributed by the manufacturer or distributor, any new vehicle or parts or accessories to new vehicles as are covered by the franchise, if the vehicle, parts, or accessories are publicly advertised as being available for delivery or actually being delivered. This subdivision is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer, manufacturer branch, distributor, or distributor branch.

(b) To prevent or require, or attempt to prevent or require, by contract or otherwise, any change in the capital structure of a dealership or the means by or through which the dealer finances the operation of the dealership, provided that the dealer at all times meets any reasonable capital standards agreed to by the dealer and

the manufacturer or distributor, and also provided that no change in capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor.

(c) To prevent or require, or attempt to prevent or require, a dealer to change the executive management of a dealership, other than the principal dealership operator or operators if the franchise was granted the dealer in reliance upon the personal qualifications of such person or persons.

(d) To prevent or require, or attempt to prevent or require, by contract or otherwise, any dealer, or any officer, partner, or stockholder of any dealership, the sale or transfer of any part of the interest of any of them to any other person or persons. No dealer, officer, partner, or stockholder shall, however, have the right to sell, transfer, or assign the franchise, or any right thereunder, without the consent of the manufacturer or distributor except that the consent shall not be unreasonably withheld.

(e) To prevent, or attempt to prevent, a dealer from receiving fair and reasonable compensation for the value of the franchised business. There shall be no transfer or assignment of the dealer's franchise without the consent of the manufacturer or distributor, which consent shall not be unreasonably withheld.

(f) To obtain money, goods, service, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and that other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the dealer.

(g) To require a dealer to prospectively assent to a release, assignment, novation, waiver, or estoppel which would relieve any person from liability to be imposed by this article or to require any controversy between a dealer and a manufacturer, distributor, or representative, to be referred to any person other than the board, if the referral would be binding on the dealer. This subdivision does not, however, prohibit arbitration before an independent arbitrator.

(h) To increase prices of motor vehicles which the dealer had ordered for private retail consumers prior to the dealer's receipt of the written official price increase notification. A sales contract signed by a private retail consumer is evidence of each such order. In the event of manufacturer price reductions, the amount of the reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer. Price reductions apply to all vehicles in the dealer's inventory which were subject to the price reduction. Price differences applicable to new model or series motor vehicles at the time of the introduction of new models or series shall not be considered a price increase or price decrease. Price changes caused by either (1) the addition to a motor vehicle of required or optional equipment pursuant to state or federal law, or (2) revaluation of the United States dollar in the case of foreign-make

vehicles, are not subject to this subdivision.

(i) To fail to pay to a dealer, within a reasonable time following receipt of a valid claim by a dealer thereof, any payment agreed to be made by the manufacturer or distributor to the dealer by reason of the fact that a new vehicle of a prior year model is in the dealer's inventory at the time of introduction of new model vehicles. A manufacturer or distributor shall not authorize or enable any new model or series passenger vehicle or station wagon to be delivered by dealers at retail more than 30 days prior to the eligibility date of the model change allowance payment for prior year model vehicles.

(j) To deny the widow or heirs designated by a deceased owner of a dealership, the opportunity to participate in the ownership of the dealership or successor dealership under a valid franchise for a reasonable time after the death of the owner.

(k) To offer any refunds or other types of inducements to any person for the purchase of new motor vehicles of a certain line-make to be sold to the state or any political subdivision thereof without making the same offer to all other dealers in the same line-make within the relevant market area.

(*l*) To modify, replace, enter into, relocate, terminate or refuse to renew a franchise in violation of Article 4 (commencing with Section 3060) of Chapter 6 of Division 2.

(m) To employ a person as a representative who has not been licensed pursuant to Article 3 (commencing with Section 11900) of Chapter 4 of Division 5.

(n) To deny any dealer the right of free association with any other dealer for any lawful purpose.

(o) To compete with a dealer in the same line-make operating under an agreement or franchise from a manufacturer or distributor in the relevant market area. A manufacturer or distributor shall not, however, be deemed to be competing when operating a dealership either temporarily for a reasonable period, or in a bona fide retail operation which is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions. A distributor shall not be deemed to be competing when a wholly owned subsidiary corporation of the distributor sells motor vehicles at retail, if, for at least three years prior to January 1, 1973, the subsidiary corporation has been a wholly owned subsidiary of the distributor and engaged in the sale of vehicles at retail.

(p) To unfairly discriminate among its franchisees with respect to warranty reimbursement or authority granted its franchisees to make warranty adjustments with retail customers.

(q) To sell vehicles to persons not licensed under this chapter for resale.

(r) To fail to affix an identification number to any park trailer, as described in subdivision (b) of Section 18010 of the Health and Safety

Code, which is manufactured on or after January 1, 1987, and which does not clearly identify the unit as a park trailer to the department. The configuration of the identification number shall be approved by the department.

SEC. 17. Section 12500 of the Vehicle Code is amended to read:

12500. (a) No person shall drive a motor vehicle upon a highway, unless the person then holds a driver's license issued under this code, except those persons who are expressly exempted under this code.

(b) No person shall drive any motorcycle, motor-driven cycle, or motorized bicycle upon a highway, unless the person then holds a driver's license or endorsement issued under this code for that class, except those persons who are expressly exempted under this code, or those persons specifically authorized to operate motorized bicycles with a class C licenses as specified in subdivision (g) of Section 12804.9.

(c) No person shall drive a motor vehicle or combination of vehicles that is not of a type for which the person is licensed.

(d) No person shall drive a motor vehicle in or upon any offstreet parking facility, unless the person then holds a driver's license of the appropriate class or certification to operate the vehicle. As used in this subdivision, "offstreet parking facility" means any offstreet facility held open for use by the public for parking vehicles and includes any publicly owned facilities for offstreet parking, and privately owned facilities for offstreet parking where no fee is charged for the privilege to park and which are held open for the common public use of retail customers.

SEC. 18. Section 12502 of the Vehicle Code is amended to read:

12502. (a) The following persons may operate a motor vehicle in this state without obtaining a driver's license under this code:

(1) A nonresident over the age of 18 years having in his or her immediate possession a valid driver's license issued by a foreign jurisdiction of which he or she is a resident, except as provided in Section 12505.

(2) A nonresident having in his or her immediate possession a valid driver's license, issued by the Diplomatic Motor Vehicle Office of the Office of Foreign Missions of the United States Department of State, for the type of motor vehicle or combination of vehicles that the person is operating.

(b) Any person entitled to the exemption contained in subdivision (a), while operating, within this state, a commercial vehicle, as defined in subdivision (b) of Section 15210, shall have in his or her possession a current medical certificate of a type described in subdivision (c) of Section 12804.9, which has been issued within two years of the date of operation of that vehicle.

SEC. 19. Section 12505 of the Vehicle Code is amended to read:

12505. (a) For purposes of this division only and notwithstanding Section 516, residency shall be determined as a person's state of domicile. "State of domicile" means the state where a person has his or her true, fixed, and permanent home and principal residence and

to which he or she has manifested the intention of returning whenever he or she is absent.

Prima facie evidence of residency for driver's licensing purposes includes, but is not limited to, the following:

(1) Address where registered to vote.

(2) Payment of resident tuition at a public institution of higher education.

(3) Filing a homeowner's property tax exemption.

(4) Other acts, occurrences, or events that indicate presence in the state is more than temporary or transient.

(b) The presumption of residency in this state may be rebutted by satisfactory evidence that the licensee's primary residence is in another state.

(c) Any person entitled to an exemption under Section 12502, 12503, or 12504 may operate a motor vehicle in this state for not to exceed 10 days from the date he or she establishes residence in this state, except that he or she shall obtain a license from the department upon becoming a resident before being employed for compensation by another for the purpose of driving a motor vehicle on the highways.

(d) Subject to Section 12504, any person over the age of 16 years who is a resident of a foreign jurisdiction other than a state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada, having a valid driver's license issued to him or her by any other foreign jurisdiction having licensing standards deemed by the Department of Motor Vehicles equivalent to those of this state, may operate a motor vehicle in this state without obtaining a license from the department, except that he or she shall obtain a license before being employed for compensation by another for the purpose of driving a motor vehicle on the highways.

(e) Any person from a foreign country, except a territory or possession of the United States, the Commonwealth of Puerto Rico, or Canada, shall obtain a class A or a class B license from the department before operating on the highways a motor vehicle for which a class A or class B license is required, as described in Section 12804.9. The medical examination form required for issuance of a class A or class B driver's license shall be completed by a physician licensed to practice medicine in the United States of America. This subdivision does not apply to (1) drivers of schoolbuses operated in California on a trip for educational purposes or (2) drivers of vehicles used to provide the services of a local public agency.

(f) Nothing in this section authorizes the employment of a person in violation of Section 12515.

SEC. 20. Section 12517.2 of the Vehicle Code is amended to read:

12517.2. (a) Applicants for an original or renewal certificate to drive a schoolbus, school pupil activity bus, youth bus, general public paratransit vehicle, or farm labor vehicle shall submit a report of a medical examination of the applicant given not more than two years

prior to the date of the application by a physician licensed to practice medicine. The report shall be on a form approved by the department, the Federal Highway Administration, or the Federal Aviation Administration.

(b) Schoolbus drivers, within the same month of reaching the age of 65 and each 12th month thereafter, shall undergo a physical examination, pursuant to Section 12804.9, and submit a report of medical examination on a form as specified in subdivision (a).

SEC. 21. Section 12524 of the Vehicle Code is amended to read:

12524. (a) No class A, class B, or class C driver's licenseholder shall operate a vehicle hauling fissile class III shipments or large quantity radioactive materials, as defined in Section 173.403 of Title 49 of the Code of Federal Regulations, unless the driver possesses a valid license of the appropriate class and a radioactive materials driver's certificate, issued by the Department of Motor Vehicles, which permits the driver to operate those vehicles.

(b) Applicants for the certificates shall present evidence to the Department of Motor Vehicles that they have successfully completed the radioactive materials hauler driving training course developed by the Department of Motor Vehicles and the Department of the California Highway Patrol before a certificate may be issued. Either the employer of the driver or a driving school licensed pursuant to Chapter 1 (commencing with Section 11100) of Division 5 may administer the training course.

(c) The certificate shall be issued only to applicants qualified by examinations prescribed by the Department of Motor Vehicles and the Department of the California Highway Patrol. These examinations shall be conducted by the Department of Motor Vehicles, and an examination fee of twelve dollars ($12) shall be paid by the applicant to the Department of Motor Vehicles.

(d) Any application for an original radioactive materials driver's certificate or renewal of the certificate and any radioactive materials driver's certificate issued pursuant to this section shall be subject to the provisions of Section 13369.

SEC. 22. Section 12802 of the Vehicle Code is amended to read:

12802. Every original application shall be signed and verified by the applicant before a person authorized to administer oaths and the applicant shall submit such evidence of age as the department may require, and, if the applicant is a minor, the application shall also be signed and verified as provided in Chapter 2 (commencing with Section 17700) of Division 9.

SEC. 23. Section 12804 of the Vehicle Code is repealed.

SEC. 24. Section 12804.2 of the Vehicle Code is amended to read:

12804.2. (a) Notwithstanding Section 15275, a person with at least a class C driver's license is exempt from the endorsement requirements of Section 15275 if all of the following conditions are met:

(1) The person is employed in an agricultural operation and is driving a vehicle, other than a vehicle used in common or contract

motor carriage, controlled by a farmer and transporting agricultural products or farm machinery or supplies to or from a farm.

(2) (A) The person has completed an agricultural hazardous materials transportation program offered or approved by the Department of the California Highway Patrol. The Department of the California Highway Patrol shall make the program available at no cost, and the program shall contain information specifically applicable to the safe transportation of agricultural chemicals and shall not be less than two hours in length. If the commissioner determines that the program cannot be offered in a particular area of the state because of personnel constraints, a person in that area may instead comply with this requirement by receiving agricultural hazardous materials training, in a program and manner approved by the Department of the California Highway Patrol, from an organization or a person in a supervisory position that has been certified by the Department of the California Highway Patrol.

(B) Upon successful completion of the program specified in subparagraph (A), a verification of training, valid for four years, shall be issued by the instructor and shall be carried by the person when operating an implement of husbandry or a motor vehicle required to display placards or markings pursuant to Section 27903 or which is hauling hazardous waste, as defined in Sections 25115 and 25117 of the Health and Safety Code. Within 10 days of issuance by the instructor, a copy of the verification shall be forwarded by the person completing the training to the department for inclusion on the permanent driving record of the person, together with a fee of twelve dollars ($12).

(C) The department, in consultation with the Department of the California Highway Patrol, shall develop a suitable form for verification of training.

(3) The person has, within the vehicle, informational material approved by the Department of the California Highway Patrol, in both English and Spanish, outlining basic safety procedures to be followed in the event of an accident. The Department of the California Highway Patrol shall provide the information required by this subdivision and make it available at no cost to the person.

(4) The person is operating a vehicle which is an implement of husbandry or a motor vehicle requiring a class C driver's license and the distance which the vehicle is being operated between the final point of distribution and the ultimate point of application or from part of a farm to another part thereof, or from one farm to another, is not more than 50 miles.

(5) In lieu of a report of a medical examination required by Section 12804.9, an applicant for a certificate pursuant to paragraph (3) shall, upon application and every two years thereafter, submit medical information on a form approved by the department. A person who obtains a verification of training pursuant to this section, but does not meet the medical requirements for a hazardous materials endorsement established by the department under Section

12804.9, is not qualified to transport hazardous materials.

(6) For purposes of the penalties and sanctions prescribed by Article 7 (commencing with Section 15300) of Chapter 7, the operation of a vehicle pursuant to this subdivision is deemed to be the operation of a commercial motor vehicle.

(b) Implementation dates for this section may be established by the Department of Motor Vehicles by regulation in order to accomplish an orderly certification program.

SEC. 25. Section 12804.7 of the Vehicle Code is amended to read:

12804.7. Notwithstanding subdivision (b) of Section 12804.9, class C also includes any two-axle motortruck or implement of husbandry weighing 4,000 pounds or more unladen when towing an implement of husbandry as specified in subdivision (n) of Section 36005, except that those vehicles shall not be operated in excess of 25 miles per hour on the highways and for not more than 25 miles on the highway from their point of origin.

SEC. 26. Section 12804.9 of the Vehicle Code, as amended by Section 19 of Chapter 928 of the Statutes of 1991, is amended to read:

12804.9. (a) (1) The examination shall include all of the following:

(A) A test of the applicant's knowledge and understanding of the provisions of this code governing the operation of vehicles upon the highways.

(B) A test of the applicant's ability to read and understand simple English used in highway traffic and directional signs.

(C) A test of the applicant's understanding of traffic signs and signals, including the bikeway signs, markers, and traffic control devices established by the Department of Transportation.

(D) An actual demonstration of the applicant's ability to exercise ordinary and reasonable control in operating a motor vehicle by driving it under the supervision of an examining officer. The applicant shall submit to an examination appropriate to the type of motor vehicle or combination of vehicles he or she desires a license to drive, except that the department may waive the driving test part of the examination of any applicant who holds a valid license issued by another state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. The examining officer may request to see evidence of financial responsibility for the vehicle prior to supervising the demonstration of the applicant's ability to operate the vehicle. The examining officer may refuse to examine an applicant who is unable to provide proof of financial responsibility for the vehicle, unless proof of financial responsibility is not required by this code.

(E) A test of the hearing and eyesight of the applicant, and of other matters that may be necessary to determine the applicant's mental and physical fitness to operate a motor vehicle upon the highways, and whether any ground exists for refusal of a license under this code.

(2) The examination for a class A or class B license under

subdivision (b) shall also include a report of a medical examination of the applicant given not more than two years prior to the date of the application by a physician licensed to practice medicine or by a licensed physician's assistant or nurse practitioner under the supervision of a physician and surgeon licensed to practice medicine. The report shall be on a form approved by the department, the Federal Highway Administration, or the Federal Aviation Administration. In establishing the requirements, consideration may be given to the standards presently required of motor carrier drivers by the Federal Highway Administration.

(3) Any physical defect of the applicant, which, in the opinion of the department, is compensated for to ensure safe driving ability, shall not prevent the issuance of a license to the applicant.

(b) Beginning on January 1, 1989, in accordance with the following classifications, any applicant for a driver's license shall be required to submit to an examination appropriate to the type of motor vehicle or combination of vehicles the applicant desires a license to drive:

(1) Class A includes the following:

(A) Any combination of vehicles, if any vehicle being towed has a gross vehicle weight rating of more than 10,000 pounds.

(B) Any vehicle towing more than one vehicle.

(C) Any trailer bus.

(D) The operation of all vehicles under class B and class C.

(2) Class B includes the following:

(A) Any single vehicle with a gross vehicle weight rating of more than 26,000 pounds.

(B) Any single vehicle with three or more axles, except any three-axle vehicle weighing less than 6,000 pounds.

(C) Any bus except a trailer bus.

(D) Any farm labor vehicle.

(E) Any single vehicle with three or more axles or a gross vehicle weight rating of more than 26,000 pounds towing another vehicle with a gross vehicle weight rating of 10,000 pounds or less.

(F) The operation of all vehicles covered under class C.

(3) Class C includes the following:

(A) Any two-axle vehicle with a gross vehicle weight rating of 26,000 pounds or less, including when the vehicle is towing a trailer or semitrailer with a gross vehicle weight rating of 10,000 pounds or less.

(B) Notwithstanding subparagraph (A), any two-axle vehicle weighing 4,000 pounds or more unladen when towing a trailer coach not exceeding 9,000 pounds gross.

(C) Any housecar.

(D) Any three-axle vehicle weighing 6,000 pounds or less gross.

(E) Any housecar or vehicle towing another vehicle with a gross vehicle weight rating of 10,000 pounds or less, including when a tow dolly is used. No vehicle shall tow another vehicle in violation of Section 21715.

(F) (i) Any two-axle vehicle weighing 4,000 pounds or more unladen when towing either a trailer coach or a fifth-wheel travel trailer not exceeding 10,000 pounds gross vehicle weight rating, when the towing of the trailer is not for compensation.

(ii) Any two-axle vehicle weighing 4,000 pounds or more unladen when towing a fifth-wheel travel trailer exceeding 10,000 pounds, but not exceeding 15,000 pounds, gross vehicle weight rating, when the towing of the trailer is not for compensation, and if the person has passed a specialized written examination provided by the department relating to the knowledge of this code and other safety aspects governing the towing of recreational vehicles upon the highway. The authority to operate combinations of vehicles under this subparagraph shall be granted by endorsement on a class C license upon completion of that written examination.

(G) Class C does not include any two-wheel motorcycle or any two-wheel motor-driven cycle.

(4) Class M1. Any two-wheel motorcycle. Authority to operate vehicles included in a class M1 license may be granted by endorsement on a class A, B, or C license upon completion of an appropriate examination.

(5) Class M2. Any two-wheel motor-driven cycle, including, but not limited to, a motorized bicycle or moped, or any bicycle with an attached motor. Authority to operate vehicles included in Class M2 may be granted by endorsement on a class A, B, or C license upon completion of an appropriate examination. Persons holding a class M1 license or endorsement may operate vehicles included in class M2 without further examination.

(c) No driver's license or driver certificate shall be valid for operating any commercial motor vehicle, as defined in subdivision (b) of Section 15210, any other motor vehicle defined in paragraph (1) or (2) of subdivision (b), or any other vehicle requiring a driver to hold any driver certificate or any driver's license endorsement under Section 15275, unless a medical certificate approved by the department, the Federal Highway Administration, or the Federal Aviation Administration, which has been issued within two years of the date of the operation of that vehicle, is within the licensee's immediate possession, and a copy of the medical examination report from which the certificate was issued is on file with the department. Otherwise the license shall be valid only for operating class C vehicles which are not commercial vehicles, as defined in subdivision (b) of Section 15210, and for operating class M1 or M2 vehicles, if so endorsed, which are not commercial vehicles, as defined in subdivision (b) of Section 15210.

(d) A license or driver certificate issued prior to the enactment of Chapter 7 (commencing with Section 15200) shall be valid to operate the class or type of vehicles specified under the law in existence prior to that enactment until the license or certificate expires or is otherwise suspended, revoked, or canceled.

(e) The department may accept a certificate of driving skill that

is issued by an employer, authorized by the department to issue a certificate under Section 15250, of the applicant, in lieu of a driving test, on class A or B applications, if the applicant has first qualified for a class C license and has met the other examination requirements for the license for which he or she is applying. The certificate may be submitted as evidence of the applicant's skill in the operation of the types of equipment covered by the license for which he or she is applying.

(f) The department may accept a certificate of competence in lieu of a driving test on class M1 or M2 applications, when the certificate is issued by a law enforcement agency for its officers who operate class M1 or M2 vehicles in their duties, if the applicant has met the other examination requirements for the license for which he or she is applying.

(g) (1) Notwithstanding subdivision (b), until December 31, 1993, any person holding a valid California driver's license of any class may operate a motorized bicycle without taking any special examination for the operation of a motorized bicycle, and without having a class M1 or M2 endorsement on that license.

(2) Notwithstanding subdivision (b), any person holding a valid California driver's license of any class may operate a short-term rental motorized bicycle without taking any special examination for the operation of a motorized bicycle, and without having a class M2 endorsement on that license. As used in this paragraph, "short-term" means 48 hours or less.

(h) No person under the age of 21 years shall be issued a class M1 or M2 license or endorsement unless he or she provides evidence satisfactory to the department of completion of a motorcycle safety training program that is operated pursuant to Article 2 (commencing with Section 2930) of Chapter 5 of Division 2.

(i) Drivers of vanpool vehicles, may operate with class C licenses, but shall possess evidence of a medical examination required for a class B license when operating vanpool vehicles. In order to be eligible to drive the vanpool vehicle, the driver shall keep in the vanpool vehicle a statement, signed under penalty of perjury, that he or she has not been convicted of reckless driving, drunk driving, or a hit and run offense in the last five years.

(j) During the implementation of this section, from January 1, 1989, through December 31, 1992, provisions of this code pertaining to persons holding class 1, 2, 3, or 4 licenses pursuant to Section 12804, shall apply to persons holding class A, B, C, M1, or M2 licenses pursuant to this section, to the extent that class A, B, C, M1, or M2 vehicles under this section fall within the definition of class 1, 2, 3, or 4 vehicles under Section 12804.

(k) A class M license issued between January 1, 1989, and December 31, 1992, shall permit the holder to operate any motorcycle, motor-driven cycle, or motorized bicycle until the expiration of the license.

(*l*) The amendments made to paragraph (2) of subdivision (a) by

Chapter 1270 of the Statutes of 1989 shall become operative only after federal regulations are adopted which permit physician's assistants and nurse practitioners to complete the physicals described in that paragraph.

SEC. 26.5. Section 12804.9 of the Vehicle Code, as amended by Section 19 of Chapter 928 of the Statutes of 1991, is amended to read:

12804.9. (a) (1) The examination shall include all of the following:

(A) A test of the applicant's knowledge and understanding of the provisions of this code governing the operation of vehicles upon the highways.

(B) A test of the applicant's ability to read and understand simple English used in highway traffic and directional signs.

(C) A test of the applicant's understanding of traffic signs and signals, including the bikeway signs, markers, and traffic control devices established by the Department of Transportation.

(D) An actual demonstration of the applicant's ability to exercise ordinary and reasonable control in operating a motor vehicle by driving it under the supervision of an examining officer. The applicant shall submit to an examination appropriate to the type of motor vehicle or combination of vehicles he or she desires a license to drive, except that the department may waive the driving test part of the examination of any applicant who holds a valid license issued by another state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. The examining officer may request to see evidence of financial responsibility for the vehicle prior to supervising the demonstration of the applicant's ability to operate the vehicle. The examining officer may refuse to examine an applicant who is unable to provide proof of financial responsibility for the vehicle, unless proof of financial responsibility is not required by this code.

(E) A test of the hearing and eyesight of the applicant, and of other matters that may be necessary to determine the applicant's mental and physical fitness to operate a motor vehicle upon the highways, and whether any ground exists for refusal of a license under this code.

(2) The examination for a class A or class B license under subdivision (b) shall also include a report of a medical examination of the applicant given not more than two years prior to the date of the application by a physician licensed to practice medicine or by a licensed physician's assistant or nurse practitioner under the supervision of a physician and surgeon licensed to practice medicine. The report shall be on a form approved by the department, the Federal Highway Administration, or the Federal Aviation Administration. In establishing the requirements, consideration may be given to the standards presently required of motor carrier drivers by the Federal Highway Administration.

(3) Any physical defect of the applicant, which, in the opinion of the department, is compensated for to ensure safe driving ability,

shall not prevent the issuance of a license to the applicant.

(b) Beginning on January 1, 1989, in accordance with the following classifications, any applicant for a driver's license shall be required to submit to an examination appropriate to the type of motor vehicle or combination of vehicles the applicant desires a license to drive:

(1) Class A includes the following:

(A) Any combination of vehicles, if any vehicle being towed has a gross vehicle weight rating of more than 10,000 pounds.

(B) Any vehicle towing more than one vehicle.

(C) Any trailer bus.

(D) The operation of all vehicles under class B and class C.

(2) Class B includes the following:

(A) Any single vehicle with a gross vehicle weight rating of more than 26,000 pounds.

(B) Any single vehicle with three or more axles, except any three-axle vehicle weighing less than 6,000 pounds.

(C) Any bus except a trailer bus.

(D) Any farm labor vehicle.

(E) Any single vehicle with three or more axles or a gross vehicle weight rating of more than 26,000 pounds towing another vehicle with a gross vehicle weight rating of 10,000 pounds or less.

(F) The operation of all vehicles covered under class C.

(3) Class C includes the following:

(A) Any two-axle vehicle with a gross vehicle weight rating of 26,000 pounds or less, including when the vehicle is towing a trailer or semitrailer with a gross vehicle weight rating of 10,000 pounds or less.

(B) Notwithstanding subparagraph (A), any two-axle vehicle weighing 4,000 pounds or more unladen when towing a trailer coach not exceeding 9,000 pounds gross.

(C) Any housecar.

(D) Any three-axle vehicle weighing 6,000 pounds or less gross.

(E) Any housecar or vehicle towing another vehicle with a gross vehicle weight rating of 10,000 pounds or less, including when a tow dolly is used. No vehicle shall tow another vehicle in violation of Section 21715.

(F) (i) Any two-axle vehicle weighing 4,000 pounds or more unladen when towing either a trailer coach or a fifth-wheel travel trailer not exceeding 10,000 pounds gross vehicle weight rating, when the towing of the trailer is not for compensation.

(ii) Any two-axle vehicle weighing 4,000 pounds or more unladen when towing a fifth-wheel travel trailer exceeding 10,000 pounds, but not exceeding 15,000 pounds, gross vehicle weight rating, when the towing of the trailer is not for compensation, and if the person has passed a specialized written examination provided by the department relating to the knowledge of this code and other safety aspects governing the towing of recreational vehicles upon the highway. The authority to operate combinations of vehicles under

this subparagraph shall be granted by endorsement on a class C license upon completion of that written examination.

(G) Class C does not include any two-wheel motorcycle or any two-wheel motor-driven cycle.

(4) Class M1. Any two-wheel motorcycle. Authority to operate vehicles included in a class M1 license may be granted by endorsement on a class A, B, or C license upon completion of an appropriate examination.

(5) Class M2. Any two-wheel motor-driven cycle, including, but not limited to, a motorized bicycle or moped, or any bicycle with an attached motor. Authority to operate vehicles included in class M2 may be granted by endorsement on a class A, B, or C license upon completion of an appropriate examination. Persons holding a class M1 license or endorsement may operate vehicles included in class M2 without further examination.

(c) No driver's license or driver certificate shall be valid for operating any commercial motor vehicle, as defined in subdivision (b) of Section 15210, any other motor vehicle defined in paragraph (1) or (2) of subdivision (b), or any other vehicle requiring a driver to hold any driver certificate or any driver's license endorsement under Section 15275, unless a medical certificate approved by the department, the Federal Highway Administration, or the Federal Aviation Administration, which has been issued within two years of the date of the operation of that vehicle, is within the licensee's immediate possession, and a copy of the medical examination report from which the certificate was issued is on file with the department. Otherwise the license shall be valid only for operating class C vehicles which are not commercial vehicles, as defined in subdivision (b) of Section 15210, and for operating class M1 or M2 vehicles, if so endorsed, which are not commercial vehicles, as defined in subdivision (b) of Section 15210.

(d) A license or driver certificate issued prior to the enactment of Chapter 7 (commencing with Section 15200) shall be valid to operate the class or type of vehicles specified under the law in existence prior to that enactment until the license or certificate expires or is otherwise suspended, revoked, or canceled.

(e) The department may accept a certificate of driving skill that is issued by an employer, authorized by the department to issue a certificate under Section 15250, of the applicant, in lieu of a driving test, on class A or B applications, if the applicant has first qualified for a class C license and has met the other examination requirements for the license for which he or she is applying. The certificate may be submitted as evidence of the applicant's skill in the operation of the types of equipment covered by the license for which he or she is applying.

(f) The department may accept a certificate of competence in lieu of a driving test on class M1 or M2 applications, when the certificate is issued by a law enforcement agency for its officers who operate class M1 or M2 vehicles in their duties, if the applicant has

met the other examination requirements for the license for which he or she is applying.

(g) (1) Notwithstanding subdivision (b), until December 31, 1993, any person holding a valid California driver's license of any class may operate a motorized bicycle without taking any special examination for the operation of a motorized bicycle, and without having a class M1 or M2 endorsement on that license.

(2) Notwithstanding subdivision (b), any person holding a valid California driver's license of any class may operate a short-term rental motorized bicycle without taking any special examination for the operation of a motorized bicycle, and without having a class M2 endorsement on that license. As used in this paragraph, "short-term" means 48 hours or less.

(h) No person under the age of 21 years shall be issued a class M1 or M2 license or endorsement unless he or she provides evidence satisfactory to the department of completion of a motorcycle safety training program that is operated pursuant to Article 2 (commencing with Section 2930) of Chapter 5 of Division 2.

(i) Drivers of vanpool vehicles, may operate with class C licenses, but shall possess evidence of a medical examination required for a class B license when operating vanpool vehicles. In order to be eligible to drive the vanpool vehicle, the driver shall keep in the vanpool vehicle a statement, signed under penalty of perjury, that he or she has not been convicted of reckless driving, drunk driving, or a hit and run offense in the last five years.

(j) During the implementation of this section, from January 1, 1989, through December 31, 1992, provisions of this code pertaining to persons holding class 1, 2, 3, or 4 licenses pursuant to Section 12804, shall apply to persons holding class A, B, C, M1, or M2 licenses pursuant to this section, to the extent that class A, B, C, M1, or M2 vehicles under this section fall within the definition of class 1, 2, 3, or 4 vehicles under Section 12804.

(k) A class M license issued between January 1, 1989, and December 31, 1992, shall permit the holder to operate any motorcycle, motor-driven cycle, or motorized bicycle until the expiration of the license.

(*l*) The amendments made to paragraph (2) of subdivision (a) by Chapter 1270 of the Statutes of 1989 shall become operative only after federal regulations are adopted which permit physician's assistants and nurse practitioners to complete the physicals described in that paragraph.

(m) For purposes of this section, evidence of financial responsibility means any of the following: (i) a copy of an insurance policy or bond, (ii) an identification card containing an insurance policy number, name of the insurer, identify of the vehicle by make and vehicle identification number, effective date of the coverage, and expiration date of coverage, (iii) written confirmation from an insurer that the vehicle is insured at the time of the driving test, (iv) if the owner is a self-insurer, as provided in Section 16052, or a

depositor, as provided in Section 16054.2, the certificate or deposit number issued by the department, (v) an insurance covering note, as specified in Section 382 of the Insurance Code, (vi) a showing that the vehicle is owned or leased by, or under the direction of, the United States or any public entity, as defined in Section 811.2 of the Government Code, or (vii) the identifying symbol issued to a highway carrier by the Public Utilities Commission pursuant to Section 3543 of the Public Utilities Code, if it is displayed on the motor vehicle.

SEC. 27. Section 12804.9 of the Vehicle Code, as added by Section 31.7 of Chapter 1360 of the Statutes of 1990, is repealed.

SEC. 28. Section 12804.12 of the Vehicle Code, as added by Section 5 of Chapter 1358 of the Statutes of 1990, is amended to read:

12804.12. (a) The department may issue a restricted class A driver's license for the operation of any two-axle vehicle weighing 4,000 pounds or more unladen when towing a trailer coach exceeding 10,000 pounds gross vehicle weight rating, or a fifth-wheel travel trailer exceeding 15,000 pounds gross vehicle weight rating, when the towing of the trailer is not for compensation.

(b) In lieu of a report of a medical examination required by Section 12804.9, an applicant for a restricted license issued pursuant to subdivision (a) shall, upon application and every two years thereafter, submit medical information on a form approved by the department.

SEC. 29. Section 12804.12 of the Vehicle Code, as added by Section 6 of Chapter 1358 of the Statutes of 1990 is repealed.

SEC. 30. Section 12810.5 of the Vehicle Code is amended to read:

12810.5. (a) Except as otherwise provided in subdivision (b), any person 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, if the person requests and appears at a hearing conducted by the department, the department shall give due consideration to the amount of use or mileage traveled in the operation of a motor vehicle.

(b) (1) Any class A or class B licensed driver, except persons holding certificates pursuant to Section 2512, 12517, 12519, 12523, or 12523.5, or an endorsement issued pursuant to paragraph (2) or (4) of subdivision (a) of Section 15278, who is presumed to be a negligent operator pursuant to subdivision (a), and who requests and appears at a hearing and is found to have a driving record 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 is presumed to be a prima facie negligent operator. However, the higher point count shall not apply if the department reasonably determines that four or more points in 12 months, six or more points in 24 months, or eight or more points in 36 months are attributable to the driver's operation of a vehicle requiring only a class C license, and not requiring a

certificate or endorsement, or a class M license.

(2) For purposes of this subdivision, each point assigned pursuant to Section 12810 shall be valued at one and one-half times the value otherwise required by that section for each violation reasonably determined by the department to be attributable to the driver's operation of a vehicle requiring a class A or class B license, or requiring any certificate or endorsement described in this section.

(c) The department may require a negligent operator whose driving privilege is suspended or revoked pursuant to this section to submit proof of financial responsibility, as defined in Section 16430, on or before the date of reinstatement following the suspension or revocation. The proof of financial responsibility shall be maintained with the department for three years following that date of reinstatement.

(d) This section shall become operative on January 1, 1993.

SEC. 31. Section 12812 of the Vehicle Code is amended to read:

12812. If a driver with a class C or M license, who is not required to have a certificate under any provision of this code, is presumed to be a negligent operator pursuant to Section 12810.5, the department may, as a condition of probation, issue a restricted driver's license to permit driving of a vehicle while in the course of the driver's employment during specified hours of employment or any other restrictions as determined by the department. The restrictions shall be noted on the driver's license.

SEC. 32. Section 13352 of the Vehicle Code is amended to read:

13352. (a) The department shall immediately suspend or revoke, or record the court-administered suspension or revocation of, the privilege of any person to operate a motor vehicle upon receipt of a duly certified abstract of the record of any court showing that the person has been convicted of a violation of Section 23152 or 23153 or subdivision (a) of Section 23109, or upon receipt of a report of a judge of the juvenile court, a juvenile traffic hearing officer, or a referee of a juvenile court showing that the person has been found to have committed a violation of Section 23152 or 23153 or subdivision (a) of Section 23109. For purposes of this section, suspension or revocation shall be as follows:

(1) Upon a conviction or finding of a violation of Section 23152 punishable under Section 23160, the privilege shall be suspended for a period of six months if the court orders the department to suspend the privilege, or if the court does not grant probation, or if the offense occurred in a vehicle requiring a driver with a class A or class B driver's license or with a certificate. However, where (A) the driving privilege is required to be suspended by this paragraph due to the violation having occurred in vehicles requiring a class A or class B driver's license, and (B) the court grants probation and imposes the condition specified in subdivision (b) of Section 23161, the department shall issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (e) of Section 13352.5. If the person gives proof of

ability to respond in damages as defined in Section 16430, the department shall issue the restricted license upon receipt of an abstract of record from the court pursuant to Section 1803 certifying that the court has granted probation to the person on conditions which include the condition specified in subdivision (b) of Section 23161.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23180, the privilege shall be suspended for a period of one year. The privilege shall not be reinstated until the person gives proof of ability to respond in damages.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23165, the privilege shall be suspended for 18 months. The privilege shall not be reinstated until the person gives proof of ability to respond in damages.

(4) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23153 punishable under Section 23185, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until evidence satisfactory to the department establishes that no grounds exist which would authorize the refusal to issue a license and until the person gives proof of ability to respond in damages.

(5) Upon a conviction or finding of a violation of Section 23152 punishable under Section 23170, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of ability to respond in damages and gives proof satisfactory to the department of successful completion, subsequent to the most recent underlying conviction, of one of the following programs: an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. The court shall advise the person at the time of sentencing that completion of one of the programs authorized by this paragraph is required in order to become eligible for a California driver's license. The court shall also advise the person that after the completion of 24 months of the revocation period, the person may apply to the court for an order granting a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subject to the current underlying conviction, either of the following:

(i) A licensed 18-month program pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a licensed 30-month program, if available in the county of the person's residence or employment, pursuant to Section 11836 of the Health and Safety Code.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month program, if applicable, and to have installed and maintained, as described in

Section 23235, an ignition interlock device.

(C) The person provides proof of responsibility to respond in damages.

(D) The person has not applied for and received an order in conjunction with the current underlying conviction or a prior conviction for violation of Section 23103, 23152, or 23153, if the prior conviction was within the previous seven years.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23170 may also, at any time after sentencing, petition the court for referral to an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(6) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23190, the privilege shall be revoked for a period of five years. The privilege shall not be reinstated until evidence satisfactory to the department establishes that no grounds exist which would authorize the refusal to issue a license and until the person gives proof of ability to respond in damages and gives proof satisfactory to the department of successful completion, subsequent to the most recent underlying conviction, of one of the following programs: a 30-month program, if available in the county of the person's residence or employment or, if not available, an 18-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. The court shall advise the person at the time of sentencing that completion of one of the programs authorized by this paragraph is required in order to become eligible for a California driver's license. The court shall also advise the person that after the completion of 24 months of the revocation period, the person may apply to the court for an order granting a restricted driver's license, subject to the following conditions:

(A) (i) The person has satisfactorily completed, subject to the current underlying conviction, the 18-month program or the initial 18 months of a licensed 30-month program, as applicable, pursuant to Section 11836 of the Health and Safety Code.

(ii) The person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month program, if applicable, and to have installed and maintained, as described in Section 23235, an ignition interlock device.

(iii) The person provides proof of responsibility to respond in damages.

(iv) The person has not applied for and received an order in conjunction with the current underlying conviction or a prior conviction for a violation of Section 23103, 23152, or 23153, if the prior conviction was within the previous seven years.

(B) Any individual convicted of a violation of Section 23153 punishable under Section 23190 may also, at any time after sentencing, petition the court for referral to an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(7) Upon a conviction or finding of a violation of Section 23152 punishable under Section 23175, the privilege shall be revoked for a period of four years. The privilege shall not be reinstated until evidence satisfactory to the department establishes that no grounds exist which would authorize the refusal to issue a license and until the person gives proof of ability to respond in damages and gives proof satisfactory to the department of successful completion, subsequent to the most recent underlying conviction, of one of the following programs: an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. The court shall advise the person at the time of sentencing that completion of one of the programs authorized by this paragraph is required in order to become eligible for a California driver's license. The court shall also advise the person that after the completion of 24 months of the revocation period, the person may apply to the court for an order granting a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subject to the current underlying conviction, the initial 18 months of a licensed 30-month program pursuant to Section 11836 of the Health and Safety Code.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month program, if applicable, and to have installed and maintained, as described in Section 23235, an ignition interlock device.

(C) The person provides proof of responsibility to respond in damages.

(D) The person has not applied for and received an order in conjunction with the current underlying conviction or a prior conviction for violation of Section 23103, 23152, or 23153, if the prior conviction was within the previous seven years.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23175 may also, at any time after sentencing, petition the court for referral to an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code. Unless good cause is shown, the court shall

order the referral.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if and as ordered by the court.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if the court orders the department to suspend the privilege. The privilege shall not be reinstated until the person gives proof of ability to respond in damages.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile traffic hearing officer, or the referee of a juvenile court of a commission of a violation of Section 23152 or 23153 or subdivision (a) of Section 23109, as specified in subdivision (a) of this section, is a conviction.

(c) Each judge of a juvenile court, juvenile traffic hearing officer, or referee of a juvenile court shall immediately report the findings specified in subdivision (a) to the department.

(d) A conviction of an offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada which, if committed in this state, would be a violation of Section 23152, is a conviction of Section 23152 for purposes of this section, and a conviction of an offense which, if committed in this state, would be a violation of Section 23153, is a conviction of Section 23153 for purposes of this section. The department shall suspend or revoke the privilege to operate a motor vehicle pursuant to this section upon receiving notice of that conviction.

(e) Whenever the driving privilege is restricted, suspended, or revoked pursuant to this section, the department shall not issue a restricted driver's license or reinstate the driving privilege unless the person gives proof of ability to respond in damages and maintains that proof for three years. If, at any time during that three-year period, a person who is required to maintain that proof fails to maintain that proof, the department shall suspend that person's driving privilege until the proof of ability to respond in damages is again given to the department.

SEC. 33. Section 14606 of the Vehicle Code is amended to read:

14606. (a) No person shall employ or hire any person to drive a motor vehicle nor shall he knowingly permit or authorize the driving of a motor vehicle, owned by him or her or under his or her control, upon the highways by any person unless the person is then licensed for the appropriate class of vehicle to be driven.

(b) Whenever any person employs or hires any person, including a subhauler, to drive a class A or class B vehicle, the employer shall ascertain that the person has in his or her possession a medical certificate as provided in subdivision (c) of Section 12804.9 which has

been issued within two years prior to the date of the person's employment or hiring. Whenever the person fails to qualify for a medical certificate on reexamination, the employer shall report that failure to the department.

SEC. 34. Section 15250.5 of the Vehicle Code is amended to read:

15250.5. (a) No person shall operate firefighting equipment unless that person has in his or her immediate possession a valid driver's license for the appropriate class of vehicle operated, or a license issued pursuant to subdivision (b).

(b) The department may issue a restricted driver's license for the appropriate class of vehicle to a firefighter for the operation of firefighting equipment. The restricted license shall be valid only for operating (1) firefighting equipment within this state, or in another state during a response under a mutual aid pact, or (2) any vehicle for which a class C driver's license is required.

(c) The restricted firefighter's license may be issued only to an applicant qualified by examination prescribed and conducted by the department.

The pretrip inspection and driving test required to receive the license shall be the same as required to obtain a license under Section 15250.

The written examination shall be developed by the department with the cooperation of the State Fire Marshal. The department shall include a sufficient number of questions from the examinations required to obtain a license under Section 15250 to ensure that passing the special examination under this section assures a level of safety comparable to examinations given under Section 15250.

(d) In lieu of a report of medical examination required by Section 12804.9, an applicant for a restricted license issued pursuant to subdivision (b) shall, upon application and every two years thereafter, submit medical information on a form approved by the department.

(e) Upon application for issuance of an original driver's license pursuant to subdivision (b), there shall be paid to the department a fee of twenty-five dollars ($25).

(f) A "firefighter" is any person employed as a firefighter by a federal or state agency or by a regularly organized fire department of a city, county, city and county, or district, or registered as a volunteer member of a regularly organized fire department having official recognition of the city, county, city and county, or district in which the department is located.

(g) "Firefighting equipment" means a motor vehicle used to travel to and to suppress fires, or to transport equipment used to suppress fires, and which is owned by, or under the exclusive control of, a federal or state agency, a regularly organized fire department of a city, county, city and county, or district, or a volunteer fire department having official recognition of the city, county, city and county, or district in which the department is located.

(h) For purposes of the penalties and sanctions prescribed by

Article 7 (commencing with Section 15300), the operation of firefighting equipment under a license issued pursuant to subdivision (b) is deemed to be the operation of a commercial motor vehicle.

(i) This section applies to an application for an original driver's license issued pursuant to subdivision (b) on or before December 31, 1991. If the fee specified by this section was not paid by December 31, 1991, Section 15250.6 applies.

SEC. 35. Section 15250.6 of the Vehicle Code is amended to read:

15250.6. (a) No person shall operate firefighting equipment unless that person has in his or her immediate possession a valid driver's license for the appropriate class of vehicle operated, or a license issued pursuant to subdivision (b).

(b) The department may issue a restricted driver's license for the appropriate class of vehicle to a firefighter for the operation of firefighting equipment. The restricted license shall be valid only for operating (1) firefighting equipment within this state, or in another state during a response under a mutual aid pact, or (2) any vehicle for which a class C driver's license is required.

(c) The restricted firefighter's license may be issued only to an applicant qualified by examination prescribed and conducted by the department.

The pretrip inspection and driving test required to receive the license shall be the same as required to obtain a license under Section 15250.

The written examination shall be developed by the department with the cooperation of the State Fire Marshal. The department shall include a sufficient number of questions from the examinations required to obtain a license under Section 15250 to ensure that passing the special examination under this section assures a level of safety comparable to examinations given under Section 15250.

(d) In lieu of a report of medical examination required by Section 12804.9, an applicant for a restricted license issued pursuant to subdivision (b) shall, upon application and every two years thereafter, submit medical information on a form approved by the department.

(e) Upon application for issuance of an original driver's license pursuant to subdivision (b), or for a duplicate driver's license or renewal of a driver's license issued pursuant to subdivision (b), there shall be paid to the department a fee of twenty-seven dollars ($27).

(f) A "firefighter" is any person employed as a firefighter by a federal or state agency or by a regularly organized fire department of a city, county, city and county, or district, or registered as a volunteer member of a regularly organized fire department having official recognition of the city, county, city and county, or district in which the department is located.

(g) "Firefighting equipment" means a motor vehicle used to travel to and to suppress fires, or to transport equipment used to suppress fires, and which is owned by, or under the exclusive control of, a federal or state agency, a regularly organized fire department

of a city, county, city and county, or district, or a volunteer fire department having official recognition of the city, county, city and county, or district in which the department is located.

(h) For purposes of the penalties and sanctions prescribed by Article 7 (commencing with Section 15300), the operation of firefighting equipment under a license issued pursuant to subdivision (b) is deemed to be the operation of a commercial motor vehicle.

(i) The fees imposed by this section apply in lieu of the fee specified in Section 15250.5 to (1) an application for an original or duplicate driver's license on or after January 1, 1992, (2) an application for renewal of a driver's license which expires on or after January 1, 1992, and (3) an application for an original or duplicate driver's license or for renewal of a driver's license on or before December 31, 1991, for which the fee is not paid until on or after January 1, 1992.

SEC. 36. Section 15255 of the Vehicle Code is amended to read:

15255. (a) Except as otherwise specified in subdivisions (b) and (c), upon an application for an original commercial driver's license, there shall be paid to the department a fee of fifty-five dollars ($55). A fee of fifty-five dollars ($55) shall also be paid to the department upon an application to change a license classification or to remove a restriction if the change or removal requires a driving-skill test.

(b) Upon application for issuance of an original commercial driver's license by a currently licensed class A or class B driver who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, there shall be paid to the department a fee of twenty-five dollars ($25).

(c) Upon application for an original class C commercial driver's license which requires an endorsement as provided in Section 15278, there shall be paid to the department a fee of twenty-five dollars ($25).

(d) Following failure in taking a driving-skill test, there shall be paid to the department a fee of thirty dollars ($30) for each subsequent administration of the driving-skill test required by the application.

(e) This section applies to (1) an application for an original driver's license on or before December 31, 1991. If the fees specified in this section were not paid by December 31, 1991, Section 15255.1 applies.

SEC. 37. Section 15255.1 of the Vehicle Code is amended to read:

15255.1. (a) Except as otherwise specified in subdivisions (b) and (c), upon an application for an original commercial driver's license, there shall be paid to the department a fee of fifty-seven dollars ($57). A fee of fifty-seven dollars ($57) shall also be paid to the department upon an application to change a license classification or to remove a restriction if the change or removal requires a driving-skill test.

(b) Upon application for an original commercial driver's license

by a currently licensed class A or class B, or class A or class B, driver who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, there shall be paid to the department a fee of twenty-seven dollars ($27).

(c) Upon application for renewal of or a duplicate commercial driver's license by a currently licensed class A or class B, driver who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, there shall be paid to the department a fee of twenty-seven dollars ($27).

(d) Upon application for an original class C commercial driver's license which requires an endorsement as provided in Section 15278, there shall be paid to the department a fee of twenty-seven dollars ($27).

(e) Upon application for a renewal of or a duplicate class C commercial driver's license which requires an endorsement as provided in Section 15278, there shall be paid to the department a fee of twenty-seven dollars ($27).

(f) Following failure in taking a driving-skill test, there shall be paid to the department a fee of thirty dollars ($30) for each subsequent administration of the driving-skill test required by the application.

(g) The fees imposed by this section apply in lieu of the fees specified in Section 15255 to (1) an application for an original commercial driver's license on or after January 1, 1992, (2) an application for an original or duplicate commercial driver's license on or after January 1, 1992, by a currently licensed class A or class B, driver who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, (3) an application for renewal of a commercial driver's license which expires on or after January 1, 1992, by a currently licensed class A or class B, driver who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, (4) an application for an original or duplicate class C commercial driver's license which requires an endorsement as provided in Section 15278, (5) an application for renewal of a class C commercial driver's license which requires an endorsement as provided in Section 15278 which expires on or after January 1, 1992, and (6) an application for an original or duplicate of, or renewal of, any of those driver's licenses on or before December 31, 1991, for which the fee is not paid until on or after January 1, 1992.

SEC. 38. Section 15275 of the Vehicle Code is amended to read:

15275. (a) No person may operate a commercial motor vehicle described in this chapter unless that person has in his or her possession a valid commercial driver's license for the appropriate class, and an endorsement issued by the department to permit the operation of the vehicle.

(b) An endorsement to drive vehicles specified in this article shall be issued only to applicants qualified by examinations prescribed by the department and that meet the minimum standards established in Part 383 of Title 49 of the Code of Federal Regulations.

(c) The department may deny, suspend, revoke, or cancel an endorsement to drive vehicles specified in this article when the applicant does not meet the qualifications for the issuance or retention of the endorsement.

SEC. 39. Section 21456.1 of the Vehicle Code is amended to read:

21456.1. Whenever an official traffic control signal exhibiting an approved "Walking Person" symbol, an approved "Upraised Hand" symbol, or the words "WALK" or "WAIT" or "DON'T WALK" is shown concurrently with official traffic control signals exhibiting the words "GO" or "CAUTION" or "STOP" or exhibiting different colored lights successively, one at a time or with arrows, a pedestrian facing those traffic control signals shall obey the "Walking Person," "Upraised Hand," "WALK" or "WAIT" or "DON'T WALK" control signal as provided in Section 21456.

SEC. 40. Section 21801 of the Vehicle Code is amended to read:

21801. (a) The driver of a vehicle intending to turn to the left or to complete a U-turn upon a highway, or to turn left into public or private property, or an alley, shall yield the right-of-way to all vehicles approaching from the opposite direction which are close enough to constitute a hazard at any time during the turning movement, and shall continue to yield the right-of-way to the approaching vehicles until the left turn or U-turn can be made with reasonable safety.

(b) A driver having yielded as prescribed in subdivision (a), and having given a signal when and as required by this code, may turn left or complete a U-turn, and the drivers of vehicles approaching the intersection or the entrance to the property or alley from the opposite direction shall yield the right-of-way to the turning vehicle.

SEC. 41. Section 22450 of the Vehicle Code is amended to read:

22450. (a) The driver of any vehicle approaching a stop sign at the entrance to, or within, an intersection, or railroad grade crossing shall stop at a limit line, if marked, otherwise before entering the crosswalk on the near side of the intersection.

If there is no limit line or crosswalk, the driver shall stop at the entrance to the intersecting roadway or railroad grade crossing.

(b) Notwithstanding any other provision of law, a local authority may adopt rules and regulations by ordinance or resolution providing for the placement of a stop sign at any location on a highway under its jurisdiction where the stop sign would enhance traffic safety.

SEC. 42. Section 22651 of the Vehicle Code, as amended by Section 5 of Chapter 1244 of the Statutes of 1992, is amended to read:

22651. Any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code; or any regularly employed and salaried employee, who is engaged in

directing traffic or enforcing parking laws and regulations, of a city or a county in which a vehicle is located, may remove a vehicle located within the territorial limits in which the officer or employee may act, under any of the following circumstances:

(a) When any vehicle is left unattended upon any bridge, viaduct, or causeway or in any tube or tunnel where the vehicle constitutes an obstruction to traffic.

(b) When any vehicle is parked or left standing upon a highway in a position so as to obstruct the normal movement of traffic or in a condition so as to create a hazard to other traffic upon the highway.

(c) When any vehicle is found upon a highway or any public lands and a report has previously been made that the vehicle has been stolen or a complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move the vehicle from in front of the driveway to another point on the highway.

(e) When any vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move the vehicle from in front of the fire hydrant to another point on the highway.

(f) When any vehicle, except any highway maintenance or construction equipment, is stopped, parked, or left standing for more than four hours upon the right-of-way of any freeway which has full control of access and no crossings at grade and the driver, if present, cannot move the vehicle under its own power.

(g) When the person or persons in charge of a vehicle upon a highway or any public lands are, by reason of physical injuries or illness, incapacitated to an extent so as to be unable to provide for its custody or removal.

(h) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is, by this code or other law, required or permitted to take, and does take, the person into custody.

(i) (1) When any vehicle, other than a rented vehicle, is found upon a highway or any public lands, or is removed pursuant to any subdivision of this section, and it is known to have been issued five or more notices of parking violation over a period of five or more days, to which the owner or person in control of the vehicle has not responded to the agency responsible for processing notices of parking violation or the registered owner of the vehicle is known to have been issued five or more notices for failure to pay or failure to appear in court for traffic violations for which no certificate has been issued by the magistrate or clerk of the court hearing the case showing that the case has been adjudicated or concerning which the registered owner's record has not been cleared pursuant to Chapter 6 (commencing with Section 41500) of Division 17, the vehicle may be impounded until that person furnishes to the impounding law